

Treas.
KF
6301
.I6
H42

History of the Detroit Computing Center

TWENTY-FIVE YEARS
OF SERVICE
1965-1990



IRS
HISTORICAL
STUDIES



*History
of the
Detroit
Computing Center*

TWENTY-FIVE YEARS
OF SERVICE
1965-1990

By Shelley L. Davis

LIBRARY
ROOM 5030
APR 09 1996

TREASURY DEPARTMENT

IRS
HISTORICAL
STUDIES

Published as part of a continuing series of historical studies to preserve and disseminate the history of the Internal Revenue Service and tax administration in the United States.

Department of the Treasury
Internal Revenue Service

Contents

5	Foreword
7	Acknowledgments
9	The IRS Enters the Computer Age
13	Establishing the Data Center
17	The First Year, 1965-1966
23	Years of Growth, 1967-1969
31	Years of Transition, 1970-1974
43	The Data Center Settles In, 1975-1979
49	The Data Center Holds Its Own, 1980-1984
57	The Future Beckons, 1985-1989
65	The Future Arrives, 1990 and Beyond
68	Appendix, Computing Center Directors
70	Index

Foreword

For 25 years, the Detroit Computing Center has provided administrative computer support to the Internal Revenue Service, the largest tax administration system in the world. The Center has been at the forefront of the evolution of automation as it has implemented new systems to keep pace with growing requirements and changing technologies.

Throughout its history, the Detroit Computing Center has made unique contributions to the Internal Revenue Service in making sure its employees were paid on time and accurately, in compiling statistical information used by the Service in developing tax administration programs, in keeping track of personnel and financial transactions in the Service, in helping track money laundering operations, as well as many other areas.

The employees of the Computing Center can be proud of their organization, their expertise, and in the contributions of the Center to the overall success of the Internal Revenue Service mission. I hope you will enjoy reading this history.



Director Ronald Kirby signs the history of the Detroit Computing Center as Frank Driscoll looks on. Driscoll, an employee of the Center for 25 years, originated the concept to prepare this history in honor of the Center's 25th anniversary.

Ronald W. Kirby
Director,
Detroit Computing Center

Acknowledgments

The history of the Detroit Computing Center is the result of a research project undertaken by the National Office History and Archival Services Program to commemorate the 25th anniversary of the Center. This history could not have been prepared without the assistance and support of many current and former employees of the Computing Center. The idea to prepare a history belongs to Frank Driscoll. Marsha Edmonds assisted in gathering information, editing the narrative, and offering numerous helpful suggestions.

Special thanks go to those employees and former employees who took time from their busy schedules to talk about their experiences with me. These individuals include Dave Beattie, Donald Breihan, John Brown, Bill Buhl, Alma Clark, Jim Daly, Tom Diggs, John DiPaolo, Larry Doss, Walter Douglas, Frank Driscoll, Bonnie DuChateau, George Fletcher, Kurt Hardenburg, Walter A. Hutton, Jr., Naomi Jones, Bob Lee, Charles Mellas, William and Joan Palmer, Henry H. Philcox, Walter Reinke, Carolyn Richmond, Ruth Roman, Jack Schroeder, Leonard Semrick, Ernest Shaw, Carroll and Helen Stewart, Birdie Whitfield, Barbara Wojcik, and Jim Zoladz. Thanks are also due to the Michigan Bell Audiovisual Department for assistance in locating photographic resources.

The following history records the development of the Detroit Computing Center as a crucial link in the IRS system of automated

operations. I have learned a great deal about the Service, the Center, and most of all, about the dedication and pride shared by the employees of the Detroit Computing Center while preparing this history. As always, the responsibility for errors in the narrative rests solely with the author.



Shelley L. Davis
IRS Historian



The IRS Enters the Computer Age



The automation age arrives in the IRS as employees at the new Western Service Center in Ogden, Utah, process tax returns on advanced technology equipment.

The dramatic changes that swept the country in the years preceding World War II through the end of the war affected the lives of virtually all Americans. Patriotism and national pride dominated the landscape. It was during this period that lawmakers in Washington, D.C. legislated changes that vastly increased the reach of our income tax system into the lives of ordinary American citizens.

Detroit in the mid-1960s.

Years before the war, in 1930, the Bureau of Internal Revenue operated the tax administration system with less than 5,500 employees and collected barely over three billion dollars in tax revenues. By 1945, the workforce had grown to nearly 50,000 with tax collections close to \$44 billion that year alone. The force of tax administration personnel continued to grow in the post-war years. By 1962, the centennial year of the Internal Revenue Service, almost 56,500 personnel

worked to support and enforce the collection of taxes. The amount of money collected grew even more dramatically during these years, as the expansion of the tax base during World War II brought millions of citizens onto the taxpaying rolls for the first time. By 1962, the Internal Revenue Service collected nearly \$100 billion in tax revenues in a single year.

The rapid expansion in the tax system, combined with the dawn of the computer age, led the IRS to realize that it needed to automate procedures for tax collection, processing, and enforcement. Since the growth of the IRS workforce had not kept pace with the increased workload after World War II, the Service believed that automation might ease handling of the increasing flow of tax returns.

As early as 1955, the IRS launched an effort to automate tax return processing by establishing a "service center" on an experimental basis as part of the Processing Branch at the Kansas City District Office. A year later, the Processing Branch was reorganized as the Midwest Service Center and the age of centralized tax processing was born. Within two years, the IRS established two more service centers, including the Northeast Service Center in Lawrence, Massachusetts, and the Western Service Center in Ogden, Utah.

In addition to automating tax return processing, the IRS began to convert some of its administrative procedures to automated systems. During 1958 and 1959, the IRS removed manual payroll operations from its regional offices and split payroll processing on East/West geographic lines in the Northeast and Western Service Centers. Here,

payroll operations for the entire IRS workforce could be performed on new electronic accounting machines.

The first major advance towards a stored information computer environment for the IRS also came during the late 1950s, with the installation of an IBM 650 electronic data processing machine in the Northeast Service Center in 1958. Similar installations followed at the Western and Midwest Service Centers in 1959. This led to conversion of payroll systems at Lawrence and Ogden to the IBM 650 in 1960.

It soon became apparent that the IRS needed more than three service centers to meet the growing tax administration workload. On September 21, 1961, the IRS National Office established a new organization to coordinate the overall move towards automated systems. This office was designated as the Assistant Commissioner for Data Processing. The IRS also proposed to establish a total of nine regional offices and nine service centers throughout the country.

It was during this early period that the idea to create a data processing center separate from the tax processing service centers surfaced in the IRS. The Service realized that many projects not directly related to processing tax returns, such as payroll processing and statistical analysis, could be performed more efficiently through automation. In 1962, the IRS formed a special committee to explore the possibility of relieving service centers from the pressures of non-tax processing work.

At about the same time, in early 1963, IRS Commissioner Mortimer Caplin announced that the Service had reevaluated its requirements and planned to reduce the total number of regional offices and

service centers originally proposed. One of the locations deleted from the list of potential sites was Detroit, Michigan, as the IRS had decided that a service center planned for Cincinnati would serve this area adequately. Creation of another service center in Detroit was considered unnecessary.

Almost as soon as this proposal became known outside the IRS, Michigan Senator Patrick McNamara voiced strong concerns over the loss of anticipated federal payroll in Detroit. The need to respond to this concern led to the genesis of the idea to establish an "administrative processing center" in Detroit.

A problem arose when it became known that the original study of establishing an organization for non-tax return processing estimated a need for less than 1,000 personnel. Since Senator McNamara felt that the loss of a service center in Detroit meant the loss of at least 1,500 employees, he remained unsatisfied with the IRS proposal to establish a smaller organization in Detroit.

On April 24, 1963, Commissioner Caplin wrote to the Secretary of the Treasury that after giving further thought to the creation of what was now being called an "administrative service center," the IRS felt that by adding a regional training center and other technical work, personnel numbers would rise to a level satisfactory to Senator McNamara. In this memorandum, the Commissioner stated that, "As you know, some of the items included are, at this point questionable... however, we feel confident that we can deliver, and productively utilize, a facility of approximately this size."

With the addition of the regional training center and identification of non-tax processing work to be

performed at the center, the IRS estimated an annual payroll of approximately \$7 million, including 980 personnel for the administrative processing center and 246 for the training center. A facility with 150,000 square feet would also be required. In justifying the creation of this organization, the IRS stated that the facility would "assure the optimum use of computers and will segregate those activities which are incompatible with the ADP program."

The programs slated for transfer to the administrative processing center included the IRS payroll, the Statistics of Income program, reimbursable projects involving the exchange of information with state tax authorities and other federal agencies, administrative reports, the Taxpayer Compliance Measurement Program, and other special projects. During this period, the Treasury Department also considered consolidating all Treasury and Coast Guard payroll operations with the IRS payroll operation, but made no final decisions on this issue.

A few weeks after Commissioner Caplin explained the IRS plans to the Treasury Department, Michigan's Senators made a public announcement that the IRS planned to build a "National Administrative Service Center" in Detroit. In their May 9, 1963, statement, the Senators noted that the "proposed center is comparable in scope to the ADP center the IRS originally announced would be placed in Michigan.... Both the Treasury Department and IRS acknowledge that a commitment was made to Michigan when the original ADP program was announced, despite a later IRS reorganization plan which would have appeared to eliminate the Michigan facility."

By July 1963, the IRS named the

new organization the “IRS Data Center” and placed it under the Operations Division of the Assistant Commissioner for Data Processing. Next, the Service created a task force with the job of defining organization, function, and staffing requirements for the Center.

Thus, the Data Center was born a child of both congressional concerns and the need to streamline activities at the new service centers. It was not a planned birth. Once it arrived, the Data Center would struggle throughout its existence to overcome the circumstances of its creation and be recognized as an integral part of the IRS.

Establishing the Data Center

By early 1964, the basic outlines of the Data Center organization began to emerge. The mission was defined to include the "analysis, design, programming, operation, and maintenance of all non-master file data processing for the IRS." The first programs designated for Data Center responsibility included the payroll/personnel system to be transferred from the Northeast and Western Service Centers, and the Statistics of Income programs from the National Office. The IRS established an activation date of July 1, 1965.

To facilitate planning for the activation, the Service designated Ferdinand V. Gilbert as the Assistant Director of the Center on March 10, 1964. Gilbert had been a federal employee for over 20 years, having launched his career in the 1940s as a GS-1 clerk with the Agricultural Adjustment Administration. In 1962, Gilbert became the first person recruited from another federal agency to enter the IRS Executive Selection and Development Program.

On June 30, 1964, the Deputy Commissioner approved the organizational plans for the Data Center. In the same period, an office for activation planning was set up in the Pension Building in Washington, D.C. Following the appointment of Gilbert, the first employee selected for assignment to the Data Center was Carroll Stewart, who reported for duty at the Pension Building on August 1, 1964. Stewart recalled, "At that time, there were two people in the

office—myself and Ferd Gilbert. We were given the assignment of determining what size building we'd need and how much space we'd need. We started with practically nothing. Nobody ever furnished guidelines along the way...we had to develop our own guidelines." Nonetheless, Stewart described his early efforts in creating the Data Center as a "marvelous experience."

By the time the IRS announced the selection of William E. Palmer to become the first Director of the Data Center on November 5, 1964, Stewart reported that the personnel roster boasted a total of six people. Palmer came from a strong IRS data processing background, having begun his career at the fledgling Kansas City Area Service Center in 1955. After three years in that environment, Palmer transferred to the National Office where he continued to work in the data processing arena. When selected for the Director's position, Palmer was Chief of the Planning and Applications Branch in the Assistant Commissioner for Data Processing organization.

Concerning his appointment as Director, Palmer stated that although it "was a complete surprise," he very quickly decided that "from an all-around experience, to start out anything from zero and see it develop over several years was a tremendous satisfaction even though we encountered many hardships."

The first of these hardships was finding a home for the Center. Palmer joked that in reality the very first location of the Data Center was



Originally intended to be a temporary location, the Showcase Building housed the Data Center for five years.

the basement of his home in Arlington, Virginia, where the small staff worked many long hours to develop the outlines of the Center. One of the key issues was what type of building would serve the mission of the Center and where to locate such a facility in Detroit.

Two other early arrivals to the Data Center staff were Walter Reinke and Donald Breihan from the National Office data processing staff. Ferdinand Gilbert recruited both men to become computer programmer/analysts for the new Center. In addition to assisting in preparations to take over non-tax processing programs, Reinke remembered participating in the early effort to find a suitable location for the Data Center.

When informed that he would be

moving to Michigan, Reinke recalled that the first location mentioned as a possible home for the Data Center was in Port Huron, a small town about 60 miles from Detroit. This proposal did not last long as negotiations with the Michigan congressional delegation and Detroit city leaders led to a decision to locate the Center within the Detroit city limits. Part of the rationale used to support this decision was that recruitment of the large workforce needed for the Center would be easier with the population of Detroit as well as employees in the IRS Detroit District, already located in the heart of the city.

Once this decision was made, the search was on to find a building for the Data Center. The original IRS goal was to have the General Services

Administration (GSA) contract for the construction of a new government building to house the Data Center. Unfortunately, the time needed by GSA to develop building plans forced the IRS to seek a temporary location for the Data Center.

Stewart was one of the employees who made several trips to Detroit in late 1964 and early 1965 to search for a suitable building. "The first building we looked at was the old railroad station. We didn't like that too much. Of course, we had been used to offices or buildings with walls in them," he remembered.

After considering several buildings, none of which appealed strongly to the evaluators, in February 1965 the IRS decided to locate the Center in an old factory building known as the Showcase Building. Once this decision was made, GSA negotiated a 15-month lease with an option to renew, beginning July 1, 1965. Everyone involved assumed that the move to this structure was temporary, one that would be resolved with the construction of a modern office building in the short term.

The Showcase Building was actually a four-story factory built in 1904 under the management of the Showcase National Corporation. Thus, the name "Showcase" reflected the management company associated with the building rather than being descriptive of the structure. The building also had an interesting address: 6230 John R Street. The odd street name was part of an effort to honor John R. Williams, an early Detroit leader and one of the founders of the Detroit Free Press. Originally two separate streets were named for Williams: one named John R and the other Williams.

The first occupant of the Showcase Building was the Everett-Metzger-Flanders Company, which produced Studebaker cars in the factory. One of the main automobiles produced during the factory years of the Showcase Building was known as the "Rockne Six", named for famed Notre Dame football coach Knute Rockne. Unfortunately, bad timing doomed the Rockne Six as the car was introduced in 1929, the year of the stock market crash. The Studebaker Company went into receivership in 1932.

From the descriptions of Data Center employees who were introduced to the Showcase Building as the home of their new organization in 1965, not much appeared to have happened in the factory in the intervening years. The Center would occupy the third and fourth floors of the building, with the Central Regional Training Center on the second floor. The Showcase National Corporation was situated on the first floor.

John DiPaolo, recruited from the National Office to become a division chief in the Data Center, recalled being told in his interview that the Center would be located in "something called the Showcase Building." Since he had not seen the building, he assumed the name simply described the facility. Remembering his surprise upon his introduction to the building, DiPaolo said, "I drove down to John R Street and took a look...oh, boy...I thought there must be some mistake—this is an old factory...just an antique factory. So I drove around the block and came back to the same address."

Other employees shared similar memories. Stewart said, "Boy, I'll tell you. There were boards and slivers of wood and junk piled all

over the floors. If there were ceilings in the building they had torn them out.” But this was the building that would be home to the Data Center. The decision had been made. So the small staff pitched in to make the place as acceptable as possible in the days prior to activating the Data Center.

Palmer said, “I remember when we first got there in early July to get the place cleaned up, we were actually taking up brooms and shovels to clean up the floor.” Stewart added, “Here we were, the management of the place, and we were working like a bunch of laborers. But we had a deadline. We had to get into operation and that’s what it took.”

Despite the harsh environment faced by the original employees of the Data Center, many retain fond memories of the start-up year. Palmer asserted, “I think one of the things we’ll always remember is how everybody pitched in. It was a total team effort.” Others cited opportunities for personal and career advancement offered by the move to Detroit as sufficient compensation for the poor location.

One of the early arrivals at the Center was Jim Zoladz, who claimed that despite initial shock at the condition of the Showcase Building he “felt the opportunities were much better here by getting in on the ground floor. I figured I could put up with it [the building] and that we wouldn’t stay there all our lives.”

The willingness of the employees to face starting up the Data Center in an old dilapidated factory building is summed up in the thoughts of long-time Center employee Bob Lee, “The facility isn’t the key. Obviously, nobody wants to be in a dripping, leaking facility if they have an option. But you have a

mission. You develop a degree of camaraderie.”

Former Assistant Director Walter Douglas recalled that although he couldn’t believe the condition of the building when he first saw it, “You don’t pick a career based on external things like that. Once I was there for 60 days, I never saw the building—I had my job to do.”

The First Year, 1965 - 1966

Although Palmer and his small staff had cleaned up the building, many obstacles still confronted the employees before the official activation of the Data Center in July 1965. John DiPaolo remembered, "We had quite a job when we first moved in. All we had was this empty building. I had a chair and an orange crate. We didn't have any furniture. There was nothing there."

Furniture and supplies were ordered and the Center began to take shape. Finally, after months of planning, organizing, and waiting, the first contingent of Data Center employees moved into the Showcase Building on July 7, 1965.

The mission of the Center revolved around non-master file computer applications of the IRS. From the beginning, four major programs emerged as the pillars that would support this mission over the years—payroll processing, Statistics of Income, the Taxpayer Compliance Measurement Program, and management information reports. The Data Center organization consisted of four divisions: Data Processing, Edit and Control, Systems, and Fiscal.

Recruiting personnel to fill hundreds of new positions was a major focus for the small start up staff. At the end of April 1965, the Data Center roster listed only 35 employees. By July, that number had grown to 56. By that time, the Data Center also had an in-house newsletter, known as the *Tiger's Tale*, which informed employees on the progress of staffing the Center and other important issues.

The *Tiger's Tale* provided a forum for employees to demonstrate their good humor about the challenges of getting the Data Center up and running. In the September 1965 issue, the Edit and Control Division boasted a 100 per cent growth in staff. Later, it explained that the staff had simply increased from one to two. Still, 94 positions in Edit and Control remained open and unfilled. By the end of 1965, the Data Center staff had grown to well over 300 personnel.

In addition to recruiting personnel, the Data Center needed computer equipment to begin its automated operations. When the Center opened its doors in July it had no computers. Through the first several months, staff members survived by renting time on computers owned by local Detroit businesses as well as travelling to use the computers of the IRS National Computer Center in Martinsburg, West Virginia.

On September 13, 1965, the Data Center received its first computer, a Honeywell H-200. This was followed by the transfer of an IBM 7074 computer from the Kansas City Service Center in October. Together, these made the computer room "quite an impressive sight," as described in the *Tiger's Tale*.

As soon as the computer equipment was up and running, the Data Center began to fulfill its mission as the non-master file processing center for the IRS. The first processing job arrived in the Edit and Control Division in early September, before the first computer arrived. Although

this program, the Audit Case Classification System, was a one time effort, it gave the Data Center an opportunity to get its feet wet by successfully completing an assignment. The program involved classifying 35,000 documents for assignment to an appropriate grade-level tax examiner.

The four pillars of the Data Center began to take form in the first six months of operation. The assumption of payroll responsibility was the largest program undertaken in this early period. Plans called for a gradual consolidation of all IRS payroll accounts as well as payroll operations for the U.S. Customs Service, civilian field personnel of the U.S. Coast Guard, the Bureau of Engraving and Printing, the U.S. Mint, and the Secret Service at the Center during 1966. This represented nearly 90,000 payroll accounts.

The Taxpayer Compliance Measurement Program required the Data Center to provide programming and computer support for various statistical summaries and breakdowns of thousands of tax return records. The Data Center conducted a test of 50,000 returns run on the 7074 computer in November 1965 as the first activity in this area.

Treasury Department reports identified for processing by the Data Center included employee service records, personnel analysis and turnover statistics, U.S. Savings Bond participation, time and attendance exceptions, employee earnings statements, W-2 withholding statements, annual leave reports, and others.

In order to take over these programs, the Data Center began training employees during its first months of operation. The first class in payroll operations began on

September 2, 1965 and lasted until December 23. Because actual payroll processing by the Center was to begin on January 3, 1966, there was little room for flexibility in training and orienting employees to new procedures. The Fiscal Division began its first class on October 18, 1965.

By early 1966, the Data Center could boast that it was beginning to perform its assigned mission. Palmer remembered that, "In January 1966 we had to start many things, the main one being the payroll. To train the people from scratch, in not only the payroll procedures, but to tie it all together with the computer programs, the key punch machines, and the whole works was tough, but everyone pitched in. It was hard work and long hours. That's what really brought us all together."

Simultaneously, the Center continued its dramatic growth in personnel, computer programs, and computer equipment. A second Honeywell H-200 computer arrived on January 6, 1966, and soon the computer room was processing data around the clock with three shifts in operation. At the end of January 1966, the Data Center reflected with pride that it had produced two payrolls with no major glitches as well as numerous audit and collection reports, TCMP tables, and other administrative reports. It took five days, with three computer shifts each day, to process the payroll in this early period.

The Data Center hosted IRS Commissioner Sheldon Cohen on his first official visit to the Center on January 26. During his one day visit, the Commissioner toured the Center, met with the Director, Assistant Director, division chiefs, and representatives from each organizational segment. The Data



Rows of metal desks with electrical cords lining the floors show the conditions of the Edit and Control Division in the early years of the Data Center.

Center celebrated its early achievements by hosting an Open House on January 30, 1966. Over 500 employees, family members, and friends attended. As Bonnie DuChateau, an early employee of the Center, remembered, “We were so proud of our operation, despite the poor conditions in the Showcase Building. In the beginning we were such a small group—everyone knew everyone else. Being in the Showcase Building was almost like being in combat together. We all suffered through it together.”

Between January and March 1966, the Data Center absorbed the payroll operations of the Southwest, Midwest, and Western Regions of the IRS, reflecting a total of nearly 27,000 accounts. Throughout 1966, the *Tiger’s Tale* updated employees by tracking the travels of the “good ship SS Fiscal Division.” At the end

of August, the Fiscal Division announced that “we ceased our siege of the Port of Lawrence when we confiscated the payroll functions of the last IRS Region—Mid-Atlantic Region 8. Our ship will ride at anchor just off the coast of the Port of Lawrence until October when we will again swing into action staging raids to absorb Treasury accounts into our fold.”

By August 1966, the Data Center received a second IBM 7074 computer and increased its personnel ranks to nearly 700. Through the fall, Data Center personnel travelled to area colleges to recruit employees. Training classes were offered for programmer trainees, keypunch operators, payroll, secretaries, and management. In these first months, the Data Center provided opportunities for the small staff to develop a sense of closeness through the challenge of

cleaning up the Showcase Building, starting up numerous computer programs, and building a staff.

In addition to the heavy workload during the day, Data Center employees established several sports teams, including a bowling and softball league. Palmer recalled, "From the beginning, we wanted to have some social activity. The guys and gals worked their tails off, but we had a lot of fun." The October 1965 *Tiger's Tale* reported that on its first night out the bowling league used 8 of 10 available lanes in the bowling alley. Team names reflected the work of the Center, including the Administrators, the Systemizers, the Analyzers, the Editors, and the Systematics.

During the holiday season, Data Center employees reached out to the local community by "adopting" needy families and giving them food and provisions. The Center sponsored a holiday decorating contest with the first place prize won by the Data Processing Division. The Division, in turn, donated the prize to a school for deaf children.

As the Data Center entered 1967, the consolidation of the payroll operation was complete. The *Tiger's Tale* reported, "With the transfer of the Treasury accounts, the good ship SS Fiscal Division ceased her siege of the Port of Lawrence and terminated her mission, returning to her home port of Detroit. The SS Fiscal Division will ride at anchor at the IRS Data Center to protect and guide her crew through their functions. Our coffers are rich with the booty of our raids. It's now full speed ahead in our development into a first class payroll station."

Throughout this first year, the promise of a new, modern office building was in the back of nearly all

employees' minds. With the lights in the Showcase Building going out several times each day, no air conditioning, and water fountains overflowing, it was no surprise that the employees longed for a new facility.

John DiPaolo recalled, "I would be sitting at my desk in the summertime in a short-sleeved shirt and when I raised my arms, the papers on my desk would stick to me. I also remember sitting at my desk in the winter with my coat and gloves on because the heating was inadequate." Unfortunately, and unknown to Data Center employees at this time, the wait for a new building would be much longer than expected and the "temporary" home provided by the Showcase Building would last for five long years.

This situation could not be blamed on lack of action or advocacy by the leadership and employees of the Data Center or from the city of Detroit. In fact, as early as 1963, in anticipation that Detroit would be selected as a site for a large IRS facility, the city put aside nine acres of urban renewal land near the downtown area for this purpose. On December 27, 1965, GSA authorized the Detroit architectural firm of Albert Kahn Associates to proceed with creating working drawings to be used in the bidding process.

In May 1966, the federal government purchased this land at a price of \$1 per square foot, a total cost of \$388,482. A schedule was developed with GSA that called for construction to begin in the summer of 1966 or at least within 30 months of the contract, providing that Congress approved construction funds. It was the requirement for approval of funds that led to delay after delay in

realizing the dream of a new home for the Data Center.

Although Congress appropriated nearly \$3.5 million in fiscal year 1965 for construction of a new Data Center building, the first cost estimates for the design exceeded this amount. To surmount this difficulty, the IRS suggested reducing the space required by transferring the Regional Training Center to Cincinnati.

It had only been a few years since the Training Center had been added to the original plans to create an organization closer to the size of a service center. With these memories still fresh in the minds of all involved parties, GSA, IRS, and the Treasury Department approached the Detroit congressional delegation with a compromise that suggested by eliminating the Training Center from the building requirements, the Data Center would be able to construct a new home within the level of appropriated funds.

In justifying this action, the IRS Commissioner explained to the Treasury Department in August 1966 that the IRS had always "preferred to have the Regional Training Center in the Regional Headquarters city (Cincinnati). It was located in Detroit only because we were looking for activities we could put into Detroit to meet the 950 employee commitment we had made. In the time since, we have become confident that the Detroit Data Center, by itself, will provide at least 950 personnel."

In mid-September 1966, Commissioner Cohen informed the Michigan congressional delegation that the IRS definitely planned to relocate the Regional Training Center to Cincinnati. Although the compromise was eventually accepted,

this was the first in a series of incidents that sparked heated debates and discussions regarding the future of the Center. The Training Center moved to Cincinnati in June 1967.

In the interim, the IRS reevaluated construction plans for the new facility. Unfortunately, by this time the original request for 137,700 square feet to house the Data Center was deemed to be inadequate. New estimates put the requirement at 198,300 square feet, with an anticipated employee population of 1,460. This increase in square footage, combined with rising inflation during this period, resulted in a new cost estimate for construction of \$6.7 million, well beyond the original appropriation level.

The final blow came before the IRS had time to request additional funding, when President Johnson froze all federal building construction in an effort to combat inflationary pressures. Thus, by the end of 1966, Data Center employees realized that they would have to put up with the Showcase Building for much longer than originally expected.



The recruitment efforts of the Data Center in the late 1960s brought hundreds of new employees into the personnel ranks. To acquaint them with the operations, procedures, and policies of the organization, the Data Center prepared this employee orientation brochure.

Years of Growth, 1967-1969

As the Data Center entered 1967, the IRS recognized the inadequacy of its current quarters. Although the Service officially requested that GSA look for alternative space in the Detroit area in January, it was September before anything happened. At that time, GSA entered into a five-year lease for space in a new complex known as the Detroit Trade Center. The only problem was that construction had not yet begun on the Trade Center.

Anticipating the positive impact of the location of space on employees, the *Tiger's Tale* announced in November 1967 that the new home of the Data Center would be a "beautiful, modern building," and that occupancy was expected by late 1968 or early 1969. The Data Center, the newsletter reported, "would occupy the basement and nine stories of the north tower" of the Detroit Trade Center and the facility would include "ample free parking, building-length picture windows, multi-elevator service, an on-site cafeteria, and the possibility that many work areas will be carpeted."

To the employees working in the Showcase Building, where the old freight elevator was large enough to hold a car, where the air conditioning and heating were severely inadequate, and where key punch machines clattered loudly in uncarpeted rooms, such a description probably made it seem as though the long wait would be worthwhile. It is hard to estimate the feelings of disappointment that employees

faced when the Trade Center Corporation announced that the tower to house the Data Center would not be built due to financial problems and that the GSA contract was nullified.

Despite setbacks in the search for a new location, the Data Center continued to build its workforce and take on new programs. As usual, Center employees made the best of a less than perfect situation by emphasizing the positive about their work. In February 1967, the *Tiger's Tale* established a new feature called "Data Center Standouts" to recognize the special talents of the workforce.

In November, the Data Center initiated a monthly "Good Housekeeping" award as an incentive to keep the work areas as pleasant as possible. The Fiscal Division was the first winner of the engraved "Good Housekeeping" trophy. Also in February 1967, the Data Center recognized a newly organized chapter of the National Association of Internal Revenue Employees (NAIRE) to provide employees with union representation. The first officers of NAIRE Chapter 78 were installed on February 10, 1967.

The addition of more computer equipment during this period increased the ability of the Data Center to take on new programs and expand its responsibilities. By the end of 1967, two additional IBM 7074s and another Honeywell H-200 arrived, bringing the total number of computers operated by the Center to seven.

Growing program requirements

resulted in a reorganization of the computer operations branch into two sections, a control section and an operations section. The control section was responsible for scheduling production and systems testing while the operations section was responsible for computer room operations and the tape library.

New programs coming to the Data Center in this period included creation of the Exempt Organization Master File, a listing of approximately 300,000 organizations in a format similar to the individual and business master files maintained by the National Computer Center in West Virginia. With this file, the Data Center could provide the National Office with specialized outputs, such as lists of organizations with assets over a million dollars, mass media organizations, and so forth.

Producing data for the annual Statistics of Income report was a major project for the Data Center. The work involved processing a carefully controlled sample of about 50,000 returns drawn annually with a wide variety of economic and tax data extracted for analysis. Statistics of Income work included other projects such as the Delinquent Returns Survey in which information from randomly selected tax returns was tabulated and formatted for statistical analysis.

To produce the 1965 Individual Income Tax Return Statistics of Income report, the Data Center processed nearly three million cards in an eight week period. In total, this project required 70 computer runs and the use of 800 magnetic tapes. Despite the heavy workload, the Data Center boasted with pride that it delivered the report to the Secretary of the Treasury 14 months after the end of the filing period,

seven months earlier than the previous report.

Also during the year, the IRS developed initial plans for a new payroll/personnel system, known as the Computerized Payroll Personnel and Employee Reporting system, or COPPER. This project originated in late 1964 when the IRS Assistant Commissioners for Administration, Data Processing, and Planning and Research jointly recommended development of a system to automate personnel processes.

The Data Center participated as a member of the working group to develop this system, beginning in June 1965. In addition to handling the payroll system, COPPER was expected to produce several new reports, such as promotion worksheets, surveys of draft eligible personnel, mandatory age retirement listings, placement follow-up worksheets, and so on. The system was to be implemented during 1968 and 1969.

To provide experienced staff to handle increasing program requirements, the Center offered a wide array of training opportunities for its employees. In January 1967, the Center offered a Systems Analyst course for the first time. In October of the same year, a formal training course for computer operators was established. Prior to this class, computer operator trainees received only on-the-job training. Other classes included basic supervisory training, programming classes, and more specialized courses such as editing corporation and partnership returns.

Another initiative that began in 1967 and stayed with the Data Center in various forms through the years was the recruiting and training of high school students from



Employees of Applications Branch 1 work on the Taxpayer Compliance Measurement Program.

the Detroit area to participate in cooperative education programs. In April 1967, nine high school students worked part-time in the computer operations branch as participants in a High School Data Processing Cooperative Program.

As the Data Center entered its third year in July 1968, Director Palmer reflected on the organization's progress in a *Tiger's Tale* column which stated, "We have grown from a struggling embryo to a full-grown organization. As we grew many of our procedures and work handling techniques developed on-the-spot, out of necessity."

Just as the early growing pains seemed to be over and the Data Center looked forward to settling into its work, the civil disturbances that cropped up around the country in the late 1960s landed in Detroit in 1967, disrupting the lives and work of Data Center employees. Long-time employee Ruth Roman remembered, "Right after I started at the Data Center the riots started. They gave us letters to show to the police if they stopped us because of the curfew."

George Fletcher, a Branch Chief in the Systems Division remembered this as "a very tense period of time. There were four or five days when things were very tense. Most of us didn't go in, except for a few critical jobs in processing the payroll." In fact, the Data Center was forced to work with a reduced workforce for several days, but never shut down completely.

The Director was required to be present for duty despite the disturbances. Palmer recalled, "We were concerned about the payroll. We finally had to copy the payroll tape from the last payroll period since we didn't have enough input or help to post the new one. Then we had to make adjustments to that payroll later. But we didn't miss the payroll."

After the atmosphere cooled off, Data Center employees collected cash, groceries, and other items to donate to victims of the disturbance. Even the Commissioner praised the Data Center for its performance during this period in a letter to all employees, stating that he was especially impressed with "your ability to promptly adapt to the emer-



Director Doss meets with Walter Douglas, Chief of the Management Staff.

gency working hours made necessary by transportation problems and the curfew. The lack of any serious slippages or backlogs in your production schedule is further evidence of your ability to meet the emergency situation.”

Early in 1968, the Data Center faced another payroll challenge when President Johnson signed the Federal Salary Act calling for a retroactive pay increase. This required the Data Center to issue supplemental salary checks to all employees. Within 48 hours of the signing of the bill, the Data Center had completed its work. Assistant Director Gilbert called this achievement “the highlight of our young Data Center history.” To this day, the Center remains proud of its record of never missing a payroll.

Not long after this, the Data Center’s first Director, William Palmer, received word that he would be reassigned to the IRS National Office as Director of the newly created Management Information Division under the Assistant Commissioner for Data Processing.

In this position, Palmer would be the supervisor of the Data Center in Washington, D.C.

Prior to this, the Data Center reported to the Operations Division of the Assistant Commissioner for Data Processing organization. The change became effective on March 10, 1968 and marked the first in a long series of organizational reassignments of the Data Center over the next two decades.

Shortly after this announcement the National Office selected a new Director for the Center. Lawrence P. Doss moved to the Data Center from his position as Assistant Director of the Detroit District Office in April 1968. Doss previously worked in the IRS National Office developing and implementing the ADP system.

Another challenge confronted the payroll operation in the winter following the appointment of Doss as Director. On January 19, 1969, bad weather and fog forced the cancellation of all flights out of Detroit. Since payroll tapes were normally delivered by airline to Regional Disbursing Offices of the Treasury Department for check printing and distribution, the flight cancellation jeopardized the ability of the Center to deliver the payroll on time.

In anticipation of such a situation, the Data Center had developed emergency alternate procedures. On this occasion, Bob Henry of the Facilities Management Branch took the payroll tapes and drove to Toledo, hoping to put them on a plane to the Philadelphia Disbursing Center there. When Henry arrived, he discovered that the Toledo airport was also shut down. He got back in his car and drove to Cleveland, where once again, fog had cancelled all flights. As a last resort, Henry left

his car in Cleveland and boarded a midnight bus to Philadelphia where he delivered the tapes.

By the late 1960s, political currents and events throughout the country led to a widespread awareness of the need to place increased emphasis on providing equal employment opportunity (EEO) for all people in all situations. The federal government took the lead in many EEO areas because of its position as a role model for the private sector. This emphasis began to emerge at the Data Center in the late 1960s.

Doss recalled, "The affirmative action issue was in a mess when I arrived. We tried to make some major moves forward in all areas. By the time I left, I thought there was pretty good morale."

John Brown, Personnel Officer for the Data Center from 1968 to 1973, noted that the Center was at the forefront of EEO and upward mobility efforts during this period because minorities comprised a significant portion of the workforce. Tom Diggs, an employee of the Data Center since 1966, explained that, "Today there is a lot of emphasis placed on what the make-up of the employee workforce will be in the year 2000. We have been operating in that type of environment since the 1960s."

Brown continued, "I think we managed to get many breakthroughs for women and minorities to move up through the ranks of the Center. While I was there, the workforce changed from a two-tiered orientation in which the 'systems types' were mostly male and mostly white and the clerical force was mostly female and mostly black. We didn't have that distinctive two-tiered structure when I left."

The Detroit Federal Executive

Board formed an EEO Committee which met for the first time on September 30, 1968. In March 1969, the Director formed the first Data Center Task Group on EEO and named Marshall Green as Chairman. This was followed with mandatory workshops for all Data Center employees on the new direction in the EEO program. Doss stated that he felt his major gains were in the areas of team building, EEO, and organizational development. In 1974, Ron Johnson became the first individual to occupy the full-time position of EEO Officer for the Data Center.

Also during this period, NAIRE Chapter 78 won exclusive recognition to represent Data Center non-supervisory and non-professional employees in an election held on December 9, 1969. This enabled NAIRE to represent over 700 Data Center employees.

Training efforts at the Data Center expanded to include topics aimed at improving overall employee skills rather than focusing only on specific job requirements. Writing and reading skills workshops and programs to improve interpersonal skills began in 1969. Extension courses through the Army Correspondence School were also offered to Data Center employees. A new in-house program known as the Programmer Reading and Training System (PRATS) allowed employees to study at home with the aim of assisting employees with ability but without education or experience to become computer programmers.

Naomi Jones, a Team Leader in the Systems Branch of the Currency and Banking Reports Division, rose up through the ranks through in-house Data Center training programs



Employees in the Showcase Building

such as this. During her career at the Center, Jones rose from a GS-2 clerk to a GM-13 manager, recalling that “there were opportunities to get into the computer programmer field.” Tom Diggs stated that, “The Center has offered a lot of opportunities for a lot of individuals, myself included. Individuals that didn’t have college degrees have been able to move up to [GM] 14s and 15s.”

Efforts to assist local schools expanded as the Data Center continued to employ students on a part-time basis in the Data Processing Division. During the summer of 1968, 22 high school students worked full-time at the Data Center. The Personnel Branch also developed a project called Federal Employee Assistance Training (FEAT) in which the Center “adopted” Detroit’s St. Vincent high school and provided students with counseling, testing, and guidance on how to get a job.

The impact of these outreach efforts is evident in success stories throughout the Data Center. In 1969, a young college cooperative student was hired as a GS-4.

Twenty-one years later this individual, Jim Bahnke, is the Assistant Chief of the Systems Operation and Computer Services Division. A few years before Bahnke was hired, the Center hired Val Jackson as a GS-1 cooperative student from the Cass Technical Institute. In 1990, Jackson is a grade 13 team leader with a Master’s Degree in Business Administration.

The reputation of the Data Center as a professional data processing organization began to spread in the late 1960s. In 1968, the Dearborn, Michigan Social Security Office requested assistance from the Data Center in training employees in data processing concepts. Representatives from foreign countries began to visit the Center as part of the Treasury Department’s Foreign Tax Assistance Program. The first such visits in 1969 included officials from the Tax Administration Agency of Japan and the Tax Agency of India.

Towards the end of the decade, it was obvious to Data Center employees that their new home in the Detroit Trade Center would not

materialize. Although the IRS installed window air conditioning units in the Showcase Building and added new soap dispensers and paper towel holders to the rest rooms, these steps did not help the employees forget that the long anticipated move to a new building was nowhere in sight.

In February 1969, the IRS convinced GSA to lease a new facility with an occupancy date of September 1, 1970. Of the six bidders that responded to the GSA solicitation, only one facility appeared to meet the Data Center requirements. This was a building known as the Soble Building. While the Soble Building was currently under construction, the other bidders either offered buildings not yet under construction or proposed to renovate old warehouse or factory space.

The Soble Building could accommodate the 196,000 square feet required by the Data Center and would be ready for occupancy by late 1969. The only problem was that the building was located half a mile outside the Detroit city limits in the suburb of Oak Park. As soon as this became known in March 1969, the Mayor of Detroit protested the solicitation. A series of letters and publicity over the next several months failed to resolve the controversy.

In July, GSA confirmed its intention to sign a five-year lease on the Soble Building. A quick outcry from the Michigan congressional delegation halted this. Soon there-after, the House of Representatives Public Works Committee approved the move of the Data Center to a new location contingent on it remaining within the Detroit city limits. In the Senate, the Public Works Committee was ready to endorse a similar proposal when President

Nixon announced a cutback in federal construction funding in September 1969.

In August 1969, the *Tiger's Tale* commented on the controversy in a slightly sarcastic tone, stating that the editors had been reading the newspaper copy "about all the folks who really care about the Data Center. It seems like they just can't stand the thought of our leaving their fair city and going a half mile away from it. We sure hope somebody does their best to get us somewhere else, sometime soon, somehow."

The newsletter also remarked on the proliferation of pictures of proposed locations on bulletin boards throughout the Center, including sites such as the "remains of the Parthenon and the moon. Programmers favor the 'Sea of Tranquility' but their supervisors feel we will settle closer to the 'Sea of Crisis'."

The building location controversy became so heated that it prompted a trip to the Data Center by IRS Commissioner Randolph Thrower on September 24, 1969. During his visit, Thrower viewed potential sites as well as conditions at the Showcase Building. He left stating that he felt very sympathetic to employees' pleas for a better building.

To satisfy congressional concerns, the IRS and GSA issued a new solicitation on December 10, 1969, with responses due the next month. Thus, the 1960s ended with the Data Center well on its way to assuming the full mission outlined in the early 1963 proposals, but still in the "temporary" location of the Showcase Building.



Years of Transition, 1970-1974

The first years of the new decade provided numerous challenges and forced the Data Center to accept change as part of the routine of doing business. In January 1970, Director Doss announced that he planned to leave the Center to become Decentralization Coordinator for the Detroit Board of Education. Doss later joined an organization known as New Detroit Inc., formed in the aftermath of the 1967 riots to revitalize the city.

Shortly after Doss's announcement, Ernest Shaw, the Assistant Director of the Western Service Center in Ogden, Utah, and a 1962 graduate of the IRS Executive Selection and Development Program, was selected to become the Data Center's third Director.

Shaw remembered that before being offered the Data Center position, he was offered the position of director of a new service center under construction in Fresno, California. Because the Fresno center would not be completed for some time, Shaw decided he would take the position in Detroit, at a facility already in operation. Therefore, when offered the position of Director of the Data Center, Shaw accepted.

Shaw recalled his feelings about the Data Center by saying, "It was a challenge. I was willing to accept that. Most of the people I talked to said 'Don't go to Detroit because they have the payroll and all they've

got to do is miss one payroll and you're out.' But we never missed a payroll because the people working on the payroll are highly dedicated."

Of course, another challenge facing Shaw upon his arrival at the Data Center was the Showcase Building situation. The controversy over where to relocate was still simmering and would heat up shortly after his arrival in February 1970. Shaw described his introduction to the Showcase Building, "You have to have seen it. I came from a panelled office in Utah with a marble top table. Here, the windows had plastic over them; electric cables crisscrossed the floor; the top floor had skylights covered with plastic to keep out the rain, the snow, and the heat."

The controversy surrounding the Showcase Building became Shaw's first and perhaps greatest challenge during his tenure as Director. On April 6, 1970, Chapter 78 of the National Treasury Employees Union (NTEU) delivered a petition signed by about 800 Data Center employees to Shaw, who was to submit it to the Commissioner. The petition stated, "During your visit here you promised you would move us from this 75-year-old fire trap. The employees of the Detroit Data Center have been very patient, but the thought of continuing in this building is too much."

On April 10, 1970, Commissioner Thrower travelled to Detroit to express his concerns to city leaders that the Center might face an employee walkout if the move was postponed further. Thrower asked



Arrival of the IBM 360 computer system marked a major advancement in technology for the Data Center.

for an agreement to allow the Data Center to move outside the city limits to the Soble Building in return for his personal assurance that a permanent facility would be built in Detroit as soon as possible. Instead, the Detroit leaders suggested that they assemble a list of buildings inside the city to be considered for an immediate move.

In frustration with the inability to resolve the looming crisis, Commissioner Thrower authorized GSA to enter into a lease for the Soble Building in Oak Park. In response, Detroit Mayor Roman Gribbs protested against this action to the Michigan congressional delegation. The result was a public hearing held by the Subcommittee on Public Buildings and Grounds of the Committee on Public Works of the House of Representatives on April 29, 1970.

During the hearing, Mayor Gribbs called the decision to move the Data Center outside the city limits a "staggering blow." He went on,

stating that the "continuing presence of the IRS Center in Detroit has become a symbol to the people of my city of both the federal understanding of and commitment to our increasing urban needs. The decision to move this facility has made a shambles of that commitment. The decision of the federal government to move out of Detroit has undermined efforts to restore confidence in our city and move our economy forward."

The IRS defended its actions by referencing the high employee turnover rate that plagued the Center, blamed in large part on conditions at the Showcase Building and the surrounding area. The turnover rate was described as the highest in the IRS and higher than that of other government agencies in Detroit.

Deputy Commissioner William H. Smith testified that the "history of the Detroit Data Center has been as frustrating to the IRS as it has to the city of Detroit. We have tried, time and time again, to find suitable

quarters in Detroit. Most of the [Showcase Building's] utility systems are as old as the building itself. Electrical circuits are overloaded to the point that continual power outages are experienced. The one elevator for passengers was designed to move automobiles from floor to floor. It is simply not capable of moving 1,000 employees during the day."

Smith summarized by stressing that the IRS was "not insensitive to the city's problems, but our needs and intentions to improve working conditions were made known for five long years. The Showcase Building is almost beyond description. The conditions are unbelievable. They are the worst that most of us have seen in any space we have occupied anywhere in the United States...and we have occupied some pretty bad places."

Finally, an agreement was reached allowing the IRS to move to the Soble Building pending construction

of a new facility inside the city limits. Once this decision was made, things happened very quickly. The GSA issued a request for bids to build the new facility and the Third Avenue Corporation's proposal for a five-story structure in downtown Detroit was accepted. In July 1970, GSA negotiated a 20-year lease for the new building, with the stipulation that it be ready for occupancy in two years. On August 21, 1970, the first elements of the Data Center moved into the Soble Building.

Although political maneuvering and the move of the Data Center dominated 1970, the employees continued their processing work and planned for a major upgrade to the IBM 360 computer system in the near future. Systems Acceptability Testing began on the COPPER system on October 26. Three visitors from the Republic of China toured the Data Center in late 1970.

The arrival of the IBM 360 would

Representatives of the Data Center and the Union gather together in April 1970 to sign the first formal labor agreement for the Center. Seated from left to right are John Brown, Personnel Officer for the Center; Ernest Shaw, Director of the Center; Vincent Connery, National President of NAIRE; and Simeon Clingman, President of NAIRE Chapter 78 at the Data Center.



mark a major milestone for the Center. This new system allowed many jobs to be processed simultaneously in contrast to the Honeywell computers which processed only one job at a time. The Center planned to convert most of its major programs to the 360, with the exception of IRS payroll processing. After the installation of the 360 was complete, the Data Center planned to retain the 7074 computers to process the payroll.

As the Center celebrated its fifth anniversary in July 1970, staffing had reached almost 1,300. The first formal union agreement was signed in the Director's office on April 23, 1970, and a new recreation club organized tours to Puerto Rico, Jamaica, and other exciting locations. A ski club and a glee club offered employees opportunities for interaction with one another.

As 1971 began, the Data Center

Walter Douglas became the second Assistant Director of the Data Center in 1971.



was shocked by the unexpected death of its Assistant Director, Ferdinand Gilbert, on January 6. To fill this vacancy, Shaw looked to his management staff and appointed Walter Douglas to become the second Assistant Director for the Center.

Douglas had been recruited from the Statistics of Income staff in the IRS National Office to join the Data Center in 1965. He arrived in Detroit in July 1966 to become a Team Leader for the Statistics of Income Corporate Tax Returns area. By 1969, Douglas was Assistant Chief of the Systems Division and was soon thereafter promoted to Chief of the Management Staff, his position when selected as Assistant Director. Douglas had also served as Chief of the Implementation Team for the 360 computer system.

On June 21, 1971, a groundbreaking



An artist's conception of the new Data Center building was published in the Direct Current in 1970 to give employees a glimpse of their future home.

Detroit and its future... We followed a tortuous route over the past six years in reaching this ceremony... The Data Center alone among our nine data processing centers has been located in the confines of a major United States city. This location has bred unique and valuable relationships with the city and its people."

The Data Center continued to perform its mission around planning for the move to the new building. In July 1971, a new Employee-Labor Relations Section was established and Director Shaw was sworn in as Chairman of the Detroit Federal Executive Board. A speaker's club was formed, including a travelling trophy presented to the best speaker on a monthly basis. The *Tiger's Tale* was enlarged and renamed the *Direct*

ceremony for the new Data Center home inside Detroit featured comments from Senator Robert P. Griffin, Mayor Gribbs, and the IRS Assistant Commissioner for Data Processing, Dean J. Barron. The GSA Deputy Commissioner of Public Buildings, Wilbur H. Sanders, served as master of ceremonies.

The \$9.6 million building was located on a ten acre urban renewal site at 1300 John C. Lodge Drive, southeast of Tiger Stadium, and was designed to provide 196,400 square feet of work space and to house 2,000 employees. The building would consist of five stories over a two-deck parking structure with room for 500 vehicles.

In his comments, Assistant Commissioner Barron stated that "By locating the Data Center in the city, we are asserting for the Federal Government that we believe in

In August 1972, G. William Grabo became the third Assistant Director of the Center.



Current, a name suggested by Data Center employee Edward Brewer.

For the first time, Data Center employees were required to wear photo identification badges. This reflected the desire of the National Office to increase security awareness as well as the increasing activity of the Data Center in handling sensitive IRS programs. The involvement of the Center in processing weekly reports for President Nixon's Cost of Living Council as part of the new Economic Stabilization Program was an example of one of the sensitive roles given to the Center in the early 1970s.

Commenting on this new responsibility, Director Shaw told employees in December 1971, "We've been living with change since our inception in 1965. We have certainly, I believe, learned to adopt change, make it our own, and make it do good for us and our customers in the National Office. We can, I am confident, take up and go with whatever Economic Stabilization projects are assigned to us."

Each new year seemed to bring significant changes to the Data Center and 1972 was no exception. On January 2, 1972, a National Office reorganization redesignated the Assistant Commissioner for Data Processing as the Assistant Commissioner for Accounts, Collection, and Taxpayer Service (ACTS). This also resulted in the Data Center being raised to a division level organization, reporting directly to the Assistant Commissioner.

Also in January, Assistant Director Douglas left the IRS to join former Director Lawrence Doss at New Detroit, Inc. Upon his departure, Douglas stated that although the Data Center was an anomaly in the IRS structure, he felt that it was on the upswing. Reflecting on his time

at the Data Center many years later, Douglas asserted, "I've always felt that the smartest people in the IRS were at the Data Center."

After a series of acting Assistant Directors that included George Fletcher, Joseph Wnuk, and Billy J. Brown, G. William Grabo, a graduate of the Executive Selection and Development Program, arrived from his position as Chief of the Data Services Division at the Cincinnati Service Center to become the new Assistant Director on August 14, 1972.

Despite the move to the new building and increasing responsibilities, all was not perfect for the Data Center in the early 1970s. Most employees during this period remember the "infamous sign-in register." John DiPaolo recalled that the Center tried to deal with



employee tardiness by placing a sign-in roster at the front desk. Personnel Officer John Brown also remembered the sign-in roster, explaining that "rather than having supervisor by supervisor dealing with the tardiness matter, we had the sign-in register. This upset a lot of people because it was considered to be an indignity." Finally, in February 1972, consultations between Data Center management and the Union resulted in a decision to do away with the sign-in roster.

Another unique development of these years was the "Rumor Control Center," a product of the numerous questions confronting the Center and its employees in the early 1970s. Bonnie DuChateau answered a telephone designated as the Rumor Control Center. She recalled that

she agreed to do this "on the basis that I could give straight answers to questions about the Soble Building, the new building, transportation, parking, or whatever."

Parking problems at the Soble Building surfaced almost as soon as the Data Center moved in. Prior to the move, a survey indicated that the Center needed 350 parking spaces. The Soble Building management provided the Center with 500 spaces. By February, the Data Center was using over 600 spaces each day. Because there was sufficient parking at the Soble Building to accommodate the increased requirements of

Detroit Mayor Roman Gribbs and Michigan Senator Robert Griffin (third and fourth from left) participate in the groundbreaking ceremony for the new Data Center building on June 21, 1971.



the Data Center, the problem was resolved by negotiating additional spaces for the workers.

Also in February, the Center experienced the first in what would become a series of visits from representatives of the National Office to review their operations. Throughout the week of February 7, 1972, a program review staff from the Assistant Commissioner for Accounts, Collection, and Taxpayer Service reviewed the planning, staffing, work control, and program effectiveness of the Data Center.

An announcement from the National Office on January 31, 1972, that payroll accounts for the Customs Service and the Coast Guard would transfer out of the Data Center sometime during the next year preceded this visit. The National Office felt that by concentrating on IRS accounts alone, the Data Center would be in a better position to process the payroll more effectively.

Despite the loss of part of the payroll mission, the Data Center moved ahead with plans for a major redesign and upgrade of the payroll processing system. This program would bring payroll processing at the Data Center into the world of IBM 360 third generation computers. As a result of the ongoing computer modernization at the Center, one of the original IBM 7074 computers and the three Honeywell H-200s were released by the Center in 1972.

In the personnel arena, the Data Center continued to move forward and appointed its first black female branch chief in August 1972. Birdie Whitfield became Chief of the Transcription Branch after serving as Assistant Chief since her arrival at the Data Center in 1970. She remembered feeling pleased at the selection, but stressed, "I never take

anything for granted. I had quite a bit of responsibility and had to fight the black thing and the female thing. It was interesting and challenging. I went into it with a lot of vigor."

It was under her leadership that another "infamous" event occurred. Despite the fact that the Soble Building was a new facility, the Center experienced repeated problems with the air conditioning system. John Brown remembered that "in the transcription room, the key punch operators would complain to the supervisors about the air. At one point in 1972 they became so upset with the lack of management's response they just walked out." The employees returned to work after a few hours and no disciplinary action was taken. Whitfield recalled, "It didn't surprise me. I didn't know it was going to happen, but it was absolutely miserable in that building and those [key-punch] machines generated so much heat."

Other employees remember a series of bomb threats that plagued the Soble Building as one of the unique aspects of this era. Alma Clark, a Data Center employee since 1966, remembered, "Many times we evacuated and the Oak Park police would come flying in. It was panicky because you knew that you were dealing with computers and bombs could be placed to destroy the computers and the information." Although no harm was done to the Data Center through any of the bomb threats, they disrupted work many times during the Soble Building years.

Persistent rumors that a significant portion of the Statistics of Income work might be transferred out of the Center, based on the recommenda-

tions of the National Office review team, also concerned employees. It was not until the end of November 1972 that Assistant Commissioner Barron informed the Center that the "National Office is studying how the SOI program is being conducted. Reassignment to the service centers is one of a number of avenues being explored. The fact that a study is being made should not be considered a reflection on the quality of work performed by the Data Center." Despite these words, it was difficult for Data Center employees to feel certain about their future.

Nonetheless, employees continued to bond together in numerous ways. A list of the various organizations at the Data Center in these years demonstrates the variety of interests and activities of the personnel. Still in existence were the Baseball League, the Bowling League, the Golf League, and the Ski Club. The Recreation Club continued to sponsor trips and the Speaker's Club had over 25 active members. With all the possibilities for involvement, it is perhaps not surprising that the *Direct Current* reported in March 1972 that there had been 14 marriages among Data Center employees so far.

On the work-related side, a Secretary's Club, the Association of the Branch Chiefs, the First Line Supervisors' Association, and the Union offered opportunities for employee involvement. Educational opportunities were also abundant, with the Data Center operating as an off-campus site for the Oakland Community College. Director Shaw was reappointed as Chairman of the Detroit Federal Executive Board for a second term in June 1972.

In January 1973, the Data Center received word that one of its original employees had been selected for the



Donald Breihan was the first Data Center employee to be selected for the National Office Executive Selection and Development Program.

IRS Executive Selection and Development Program. Donald Breihan, Chief of the Data Processing Division, became the Data Center's first employee to be selected for this program. Breihan remembered being recruited for the Data Center by Ferdinand Gilbert while working as a programmer/analyst in the National Office. He recalled his Data Center experience as unique because, "In the IRS you don't have the opportunity to start up a new organization very often. It was a great deal of fun and very challenging."

Concern that communication between management and employees needed improvement surfaced in early 1973. To facilitate this, the Director appointed Jim Gilbert from the Atlanta Service Center as an assistant to the Director to work on a consultant arrangement to improve communications and relationships in



the Data Center. Director Shaw noted that a recent survey of employee feelings, concerns, and problems at the Data Center resulted in over 110 responses. One direct result of this survey was the initiation of a "Data Center Daily Bulletin" in January 1973 to keep employees informed of events as quickly as possible.

Much employee concern was related to uncertainty about the future of the Data Center. There was still no final answer on the status of the Statistics of Income program and the payroll processing

mission had lost a large number of accounts in recent years. Finally, in April 1973, the Assistant Commissioner for Accounts, Collection, and Taxpayer Service notified the Data Center that although serious consideration had been given to moving Statistics of Income work to the service centers, the National Office had decided to keep the work in the Data Center for the time being. Still, the Assistant Commissioner stated that the National Office reserved the option to reconsider this decision later.



While the Data Center continued operations from the Soble Building, construction was underway for its new home in downtown Detroit.

officiated at the ceremony while Mel Ravitz, President of the Detroit Common Council, shared the giant shears with John Kanters of the Civic Development Commission. William Palmer, the Center's first Director, came from Washington for the ceremony, calling the move a forward step in the growth of the Data Center and a boon to the revival of Detroit's downtown area.

As soon as the move was complete, the Data Center looked forward to the arrival of a new Director. Leonard Semrick, a 1967 graduate of the Executive Selection and Development Program and director of the Fresno Service Center since 1970, was named as the third Data Center Director.

Semrick remembered his major charge from the National Office upon his arrival at the Data Center on September 4, 1973, was to complete the conversion to the 360 computer system. "No one had made provisions to have the equipment installed, so I travelled to Chicago to the GSA to come up with the money," said Semrick.

In his *Direct Current* column in February 1974, Semrick stressed that the conversion would be the most important event of the year, but warned that it would be a long and complex effort. "Here is our chance to show our fellow IRS employees that the Data Center is a 'can do' organization," announced Semrick.

The conversion to the 360 system for payroll and personnel processing meant that the Center's earlier efforts to implement the system known as COPPER were put aside. COPPER had been designed to run

Shortly after this announcement, Director Shaw indicated that rather than accept a transfer to the Fresno Service Center he intended to retire from the IRS. Shaw's retirement on June 30, 1973, came immediately after completing the move into the Soble Building. This timing made Shaw's tenure at the Center unique in that he was the only Director to serve in all three Data Center locations.

The Data Center welcomed the public to its new home with a ribbon-cutting ceremony on July 1, 1973. Acting Director William Grabo

on the old 7074 system, which was gradually being replaced by the 360 equipment. By the early 1970s, the Treasury Department decided to cancel the COPPER program because it had taken too long to develop, had suffered through too many changes in requirements, and was being developed for obsolete equipment.

The 360 payroll system was rewritten into COBOL language and automated many manual processes, such as leave accounting and accounts receivables. The Treasury Department decided to convert only IRS payroll systems to the 360, leaving the remainder of Treasury bureaus on the 7074 equipment, with the stated purpose of studying the potential use of other government systems for processing the Treasury payroll.

By the summer of 1974, the Data Center was ready to begin testing the new system with an anticipated IRS-wide implementation date in October. Over 250 specification changes had been made and 280 programs written in preparation for the conversion. Birdie Whitfield recalled her involvement as chief of the 360 conversion team, "You talk about a fun job. We only had from February to October to do the legwork to pull it all together. It was something. The entire staff received an award—all 13 members of the conversion team—because we converted timely."

As the conversion neared, the Data Center released the second of its 7074 computers. The Center began full-scale operations on the 360 system on October 2, 1974, and processed the first payroll on the new system on October 21.

Only a few days after completion of this project, Assistant Director



Larry Westfall assumed duties as Assistant Director of the Center in 1974.

Grabo announced that he would be leaving the Center to become Assistant Director of the Memphis Service Center. In November 1974, Larry Westfall arrived in Detroit from the Executive Selection and Development Program to become the new Assistant Director. Westfall had previously served as Chief of the Management Staff at the Austin Service Center.

The Data Center Settles In, 1975-1979

Concerns over the future of the Data Center arose early in 1975 as employees once again feared that the loss of some programming responsibilities meant that the National Office was considering closing the Center down. This time concerns centered around the loss of a relatively small project, the Program Audit Library or PAL, which the National Office had decided to relocate to Washington, D.C.

The birth of the Data Center in 1965 out of political expediencies left many employees with a recurring fear that because the IRS had never deliberately planned to locate this type of facility in Detroit it was vulnerable to closure if the opportunity arose.

Long-term Data Center employee Bob Lee explained, "Since the Center did not do mainline tax processing, it became an easy target in the minds of some decision-makers. So the question always came to mind, 'What about the Center?' The feeling of the workforce here at times over the years has been that we're constantly under threat to be closed."

As a result, some employees contacted their congressional representatives with fears that some elements of the Center's workload were being phased out. In response, Robert H. Terry, Assistant Commissioner for Accounts, Collection, and Taxpayer Service, explained to the Detroit area representatives that "there are no

current plans to change either the mission or major activities in the Detroit Data Center. We have ensured the employees and union officials that no changes are contemplated that will result in a reduction in employment."

He continued, "Because of the nature of the work at the Detroit Data Center, it should be recognized that transfer of systems development projects in and out of the Center will continue. You may be assured that we plan to continue to use the facilities at the Detroit Data Center to the fullest extent possible under our budgetary limitations."

The Assistant Commissioner explained that the IRS moved the PAL project because it no longer required Data Center computers and could operate on a time-share basis with another government computer in Washington, D.C. He also cited several examples of new programs moved into Detroit in recent months, including compilation of statistical information for the Employee Plans/Exempt Organizations function, reports for Collection and Taxpayer Service, and major changes in the payroll/personnel system.

In March 1975, Director Semrick was transferred to the Austin Service Center. A 1973 graduate of the Executive Selection and Development Program, James E. Daly, became the next Data Center Director. Daly moved to Detroit in April 1975 from his position as

Assistant Director of the Cincinnati Service Center.

Upon his arrival, Daly was immediately confronted with employee concerns about the future of the Center. Such concerns continued even after reassurances from the National Office that the Data Center was in Detroit to stay. In his first Director's Column in the *Direct Current*, Daly addressed this issue by stating, "One of the first problems I was made aware of is the persistent rumor that IRS 'management' is planning to close down the Data Center. There are several variations of that general theme."

In the column, Daly promised employees that although the future would undoubtedly bring more changes, he would deal with any workforce issues through attrition, redeployment, or training and that no permanent Data Center employee would lose their job, face a salary reduction, or be forced to transfer from Detroit.

Daly's introduction to the atmosphere of the Data Center came even before his first day as Director. As he recalled, "The day I interviewed, the employees were picketing the place. I had to walk through picket lines to get to my interview."

One of Daly's first priorities was to try to improve morale at the Center. Throughout his eleven year tenure as Director, Daly said his strategy was to "attempt to get the Detroit people to feel more a part of the [IRS] organization and to get the rest of the IRS to feel more strongly about the Data Center being an integral part of the organization."

He continued, "I tried from day one to change the [National Office] perception of what the Data Center was and what it wasn't. I felt if I could accomplish that, then the

other stuff would take care of itself. You don't talk about closing something that is important to you."

Shortly after Daly's arrival, Vivian Latham claimed a Data Center first by becoming the first female assistant division chief when she assumed this position with the Fiscal/Personnel Processing Division. Later in the year, Clarence King, Jr., was selected as the second Data Center employee to enter the IRS Executive Selection and Development Program. Staffing at the Data Center reached 1,485 employees and an EEO affirmative action program went into effect.

Still, questions about the mission and status of the Data Center persisted. Part of this was due to a task force study initiated by Assistant Secretary of the Treasury Warren Brecht in September 1974 to determine the feasibility of implementing a Treasury-wide personnel/payroll system. The task force completed its study in March 1975, with recommendations that such a system was essential; that the Treasury Department should manage and control the system; and that the Data Center should be responsible for conversion programming, system maintenance, and operation.

Eventually this proposal was modified, with the final decision leaving IRS with its 360 system and moving the rest of the Treasury Department payroll to a new system modeled after the Department of the Interior's payroll system, to be known as the Treasury Payroll-Personnel Information System (TPPIS). At the Data Center, Walter Reinke served as the TPPIS Conversion Team Leader.

Modernization came to the Data Center in spurts during these years. By mid-1975, the Center completed

a conversion from keypunch machines in the transcription area to a Four-Phase Key-to-Disk System. With this new equipment, transcribers entered data directly onto a keyboard with a video terminal attached. Data was then edited and validated in the Central Processing Unit (CPU) for transfer to magnetic tape. The tape was used to produce the final output on the IBM 360/370 system. (The 360 system had been augmented with a 370 upgrade earlier in the year.)

Another new arrival at the Data Center in 1975 was microfiche equipment. After nearly two years of effort, the Data Center completed the installation of a Stromberg-Datagraphix 4560 Computer Output Microfilm (COM) system, capable of producing both microfiche and microfilm.

Quarterly award ceremonies to recognize outstanding Data Center personnel began in mid-1975 and a Women's Advisory Group was established, with Rosa Cliff, Federal Women's Program Coordinator, serving as the leader. An Administrative Intern Program aimed at identifying and developing employees for positions in the administrative field began. Also, a new choral group started up during 1975 and entertained employees for the first time with Christmas carols after a series of weekly rehearsals.

Holiday seasons continued to bring out the best in Data Center employees. During the 1975 Christmas period, employees dressed over 200 dolls for donation to needy children. Prior to the donation, the dolls created by the Data Center were displayed in the cafeteria in what the *Direct Current* described as the "most elaborate display in Data Center history."

Employees were pleased in late



In 1975, Clarence King became the second Data Center employee to be selected for the Executive Selection and Development Program.

1976 with the completion of a three-year furniture and equipment replacement program. When the Center moved into the new building, the old furniture and equipment moved with the employees since there was not enough money in the budget to replace it at that time. The completed project resulted in the purchase of 2,512 chairs, 1,365 desks, 117 coat trees, 137 bookcases, and 214 tables for the Data Center.

To improve production control and increase awareness of work quality, staff hour use, cost factors, and employee performance, the Data Center implemented an Integrated Management Planning and Information System, known as IMPIS, in early 1976. To help implement this new management tool, a Reports Unit was established in the Management Staff as part of the Planning and Budgeting Group.

The first major reorganization of the Data Center occurred in mid-

1976. Although new functions had been added over the years and small changes were made to the original organizational design, this represented the first full-scale reorganization faced by the Center.

The reorganization involved renaming several divisions so their titles more accurately reflected the duties performed. The Data Processing Division became the Systems Operations Division; a new Systems Development Division was established; and the Edit and Control Division became the Data Conversion and Control Division.

A new Systems Coordination Staff was created as part of this reorganization. This staff would be located in Washington, D.C., to provide on-site expertise to the National Office in formulating its computer application requirements.

The placement of the Data Center in the National Office organizational structure changed again as 1977 began. To consolidate all ADP program responsibility under a single manager in the National Office, the IRS established a new position for an Assistant Commissioner for Data Services. As a result, the Data Center was transferred from the Assistant Commissioner for Accounts, Collection, and Taxpayer Service to this new function on January 2, 1977.

This was a year for reorganizations. An Organizational Study Group within the Data Center submitted a package of recommendations for realignments to the Director in February 1977. After review, Daly accepted the recommendations and forwarded them to the National Office on May 11. On August 4, 1977, the IRS Deputy Commissioner approved the reorganization, which separated the analysis and program-

ming expertise of the Center. It was hoped that this would provide greater flexibility in planning and resource management as well as enhance the Center's ability to work with other National Office data services activities.

As a result, the Center established three new divisions on January 15, 1978. These included the Systems Design Division, responsible for all systems analysis activities; a Program Development Division, responsible for developing computer programs to improve systems design; and a Systems Operation Division, responsible for systems acceptability testing.

The arrival of a new Honeywell 2050A computer system in late 1977 and the transfer of non-IRS Treasury payroll accounts to the TPPIS system allowed the Data Center to finally retire the last two 7074 computers. With a touch of lightheartedness, the *Direct Current* reported that the 7074s "passed away quietly soon after the death of the 'Other Treasury' payroll system. Their final resting place has not been determined. Their estate is being handled by GSA."

The late 1970s were another period of National Office-directed review of the role and mission of the Data Center. Throughout 1977 and 1978, an extensive study was conducted with the purpose of charting a course for the future. As a result of this effort, Patrick Ruttle, Assistant Commissioner for Data Services, proposed decentralizing IRS payroll processing to the service centers while centralizing employee plans/exempt organizations work at the Data Center by the early 1980s. Although this proposal was endorsed by the National Office, it was never implemented due to extensive reevaluation and lack of funding.

A new effort that did come to the Data Center during these years caused an expansion of the micro-filming capabilities of the organization. Passage of the Employee Retirement and Income Security Act (ERISA) in 1974 required that managers of employee benefit plans file annual reports with a single government agency, with the IRS selected as the designated agency to receive these reports. Prior to this, three separate government agencies received annual reports: IRS, the Labor Department, and the Pension Benefits Guarantee Corporation.

The IRS developed an Employee Plan Return (Form 5500) to be filed with the service centers. In mid-1978, the Center began receiving these returns from the service centers for filming, quality review, and reproduction into microfiche with the Data Center's work funded by the Department of Labor on a reimbursable basis. Before the Data Center acquired the capability to produce computer-output microform this effort was performed by a contractor.

In mid-July 1979, representatives from OMB and the National Bureau of Standards visited the Data Center for an official evaluation of the administration of the 1974 ERISA act. The micrographics consultant with the group noted that he knew of no other organization processing the volume of microfiche going through the Data Center and that the Center was "doing some real pioneering" in this field.

This Data Center program attracted much interest in the microfilm industry because of the new and unique way it combined computer technology with micrographics. The Data Center was one of the first government installations to use the

"full reversal process", which reversed a source document image from negative to positive during the production process. The National Bureau of Standards reported that the Data Center was, in effect, writing industry standards for this type of filming.

By October 1979, the Data Center had filmed 100,000 Employee Plan Returns and shipped the microfiche to the Department of Labor and IRS service centers. In November, the Department of Labor noted this achievement in testimony before the Senate Committee on Labor and Human Resources.

As computer systems became increasingly sophisticated during these years, the Data Center tried to keep pace by planning for the replacement of its IBM 360/370 system. The Center released a request for public bids for a new system in June 1977, with proposals received through February 1978.

On July 27, 1978, the Sperry-Univac Corporation won the contract for installation of a Univac 1100/82 multi-processing computer system at the Data Center. Initial training on the new equipment was conducted prior to the actual installation, beginning in late 1978. At about this same time, the Center released its Honeywell 2050A system. The arrival of the Univac equipment allowed the Center to begin moving away from traditional batch processing to advanced teleprocessing.

After installation and testing, the Center converted the IRS payroll system from the IBM 360/370 computers to the Univac 1100/82 in late 1979. A ribbon-cutting ceremony on December 18, 1979, completed this multi-year effort and

left the Data Center ready to enter the 1980s with state-of-the-art computer systems.

A few personnel changes also occurred before the end of the decade, with Assistant Director Larry Westfall moving on to become the Assistant Regional Commissioner for Collection in the Southwest Region in September 1978. George Pennington, from the Operations Branch of the Statistics Division of the National Office, reported for duty as the new Assistant Director on December 4, 1978.

The Data Center Holds its Own, 1980-1984



Acting Director Robert Kensinger presents certificates to Rose Hubbard, Margaret Prestwood and Margaret Basiak for their participation in a Detroit Federal Executive Board Affirmative Action Workshop.

In the spring of 1980, Director Daly learned that he had been selected for a temporary assignment in the National Office as Chief of the Technical Evaluation Group for the Service Center Replacement System, known as SCRS. This was an effort to replace the major computer systems in the service centers.

Daly left the Center on April 8 to begin what would turn into a one-year assignment away from his primary job. "I initially tried to do both jobs," he said, "but after several months of two days in Detroit and two days in D.C., I told them the Center needed an acting director."

Thus, on September 8, 1980, Robert J. Kensinger left his position as Assistant Director of the Cincinnati Service Center to become the Data Center's acting Director. It was during this time

that the Center underwent one of its most traumatic periods. On May 7, 1981, Michigan Congressman William H. Brodhead wrote to the Treasury Department expressing concern about the status of the Data Center. In response, the IRS assured Congressman Brodhead that "Although several suggestions have been made recently to consider changing the Detroit Data Center operations, there is no plan at this time to close the Center." A fact sheet attached to the IRS response explained that a recent internal recommendation to close the Center was simply part of a Service-wide self-assessment to identify possible ways to accomplish the mission with reduced budget levels.

In late May, five members of the Michigan congressional delegation sent a joint letter to the Assistant



William M. Jacobs became Assistant Director of the Data Center in 1981.

Secretary of the Treasury for Administration expressing concern over rumors circulating in Detroit that the Data Center was a target for closure. Within a few weeks, a team of representatives from the Treasury Department and the IRS visited the Data Center for a first hand look at the situation. The group came away with an awareness of "very strong feelings among employees that there is an effort in progress to close the Detroit Data Center."

Several proposals regarding the mission and future of the Data Center appeared to be floating around Washington. While the controversy surrounding the future of the Data Center swirled in 1981, OMB requested that the Treasury Department study the cost/benefit implications of using the Treasury Management Information System (MIS) rather than the Data Center to perform administrative data processing operations.

In 1982, the National Academy of Public Administration, which had been contracted to perform this study, completed its report with a recommendation that the Data Center develop and operate a Treasury-wide payroll/personnel system. Although both Treasury and IRS concurred with the findings of the report, final plans were never agreed upon and this recommendation was never implemented.

In addition to this study, the IRS moved ahead with its own plans to modernize the personnel/payroll system at the Data Center. This effort, which began in 1981, was aimed at decentralizing time and attendance input to the system and modernizing data base management systems. Known as the Time and Attendance Data Entry System or TADES, this system was implemented in 1982.

In the midst of this turmoil, Assistant Director Pennington left the Data Center to join the National Office staff of the Assistant Commissioner for Data Services on June 15, 1981. He was replaced by William Jacobs, formerly Chief of the Examination Division in the Jacksonville District, and a recent graduate of the Executive Selection and Development Program.

Although no final determinations were made concerning the future of the Data Center during the summer of 1981, the atmosphere cooled off a bit and Daly returned from his detail. Still, the studies and evaluations continued with a Treasury Task Force in place at the Data Center from September 9-18, 1981.

Throughout this period, Data Center employees continued their work. The *Direct Current* proudly reported in May 1981 that the Center had achieved a 100 per cent

timeliness rate on its reporting requirements for the first time that year. It also noted that during an average month, the Center produced 435 reports, including 260 management information reports and 175 payroll reports.

The Data Center did not enjoy a long respite from the pressures of the continual evaluation process. In 1982, OMB issued Circular A-76, mandating that federal agencies conduct cost comparisons to determine whether certain functions could be performed for less expense by using contractors instead of government employees.

By May 1982, Commissioner Roscoe Egger had settled on four areas for the first full-scale IRS A-76 reviews. These included the tax forms distribution process, the television studio, the payroll/personnel system, and overall Data Center operations. The Data Center was directed to "begin immediately to identify specific work projects which can be competitively bid in the private sector."

By the end of May 1982, the Data Center informed the National Office that it had organized its effort into four teams which would conduct separate evaluations of the payroll/personnel system, the Statistics of Income program, management information reports, and the Taxpayer Compliance and Measurement Program. It should be noted that in 1981, the microfilming of Forms 5500 had already been returned to a private vendor.

Once again, this undertaking prompted congressional inquiries, this time about the impact of the A-76 studies on the future of the Data Center. In late September 1982, Congressman James J. Blanchard wrote to the Commissioner

expressing concern over estimated costs of \$2.4 million to conduct the A-76 studies at the Data Center as well as the potential impact on employees. He cited previous studies that reported favorably on Data Center performance and suggested that "this study should be terminated before further time and money is involved."

Senator Carl Levin and Representative William D. Ford also expressed concerns to the Commissioner. Representative Ford cited the recent National Association of Public Administration report and ongoing modernization efforts in Detroit as reasons why "a cost comparison study, with its costs, appears particularly unwise."

In addition to congressional inquiries, the IRS faced questions from the Union regarding the overall A-76 policy. In mid-October 1982, the Associate Commissioner for Policy and Management informed NTEU that the IRS was refocusing the emphasis of its A-76 reviews. As a result, the IRS halted the reviews of the television studio and tax forms distribution and abated the review of Data Center activities.

It was explained that a "full review of Detroit Data Center activities, as originally envisaged, will take years to complete and will divert more resources than we can afford." By October 1982, the number of Data Center staff members devoted to the A-76 review effort had decreased from nearly 30 full-time personnel earlier in the year to only two. In addition, the completion date for the review was extended from April 1984 to an undefined period.

The Data Center faced another organizational realignment in 1982 as a National Office reorganization shifted authority for the Center



Alvin J. Freeman replaced William Jacobs as Assistant Director of the Data Center in 1982.

from the Assistant Commissioner for Data Services to the newly created Assistant Commissioner for Support and Services. This was part of an overall restructuring of the National Office in an effort to "make the agency more responsive to the growing and changing needs of the tax system," in the words of Commissioner Roscoe Egger. The IRS considered it appropriate to place the Data Center in the support and services area because of its principal mission of processing the IRS payroll and administrative programs.

Once again, Data Center employees continued to work in an atmosphere of evaluation, realignment, and questioning about the future of their organization. In October 1982, Alvin J. Freeman, Jr. arrived to assume duties as Assistant Director. In the period between the departure of William Jacobs and the arrival of Freeman, Walter A.

Hutton, Jr., served as acting Assistant Director of the Data Center. Data Center employee Robert Smentowski and his family were chosen as the Knights of Columbus "Family of the Year" for the state of Michigan in 1982. In February 1983, the Data Center appointed its first black female division chief when Rose McPhail became Chief of the Data Conversion and Control Division.

Over the years, the Data Center continued its active involvement with local schools, offering work opportunities to many students in the Detroit area. In June 1983, the Center received a plaque recognizing five years of continual participation in the "Stay-In-School" program from the Highland Park Community High School. In 1983, 22 students were assigned to jobs at the Center.

The Center's efforts to improve the holidays for disadvantaged families in the Detroit area also continued and each year employees dressed more dolls for underprivileged children. The 1983 Christmas season featured a display of over 800 dolls and two Center employees received special recognition for their efforts in a city-wide contest to select the best-dressed dolls.

New computer programs such as the Counsel/Appeals Tracking System (CATS) continued to come on board at the Center. This particular program was designed to allow computerized searches of the Chief Counsel case tracking system and replaced manual control cards and appeals officer time sheets. The Capitalized Assets Management System, or CAMS, came to the Center in late 1983. Two new improvements came to the payroll system during this year, including the Automated Leave/Pay History

Adjustments, or ALPHA, program and the Systems of Input for Local Validation and Error Resolution, or SILVER, program.

Data Center employees realized that specialized education and training was necessary to manage the more sophisticated computer systems of the 1980s. In September 1983, a small group of employees met with Assistant Director Freeman to discuss the possibility of offering a data base management class at the Center similar to courses offered by local community colleges. It was pointed out that some employees had difficulty enrolling in classes far from their homes, but if offered at the Data Center such courses would be accessible to employees.

Some time later, Dr. Patricia Bell, acting Chief of the Training and

Development Branch, received a petition signed by 30 employees and accompanied by tuition fees from 20 employees for such training if offered at the Center. As a result, in January 1983, the Data Center began to offer after-hours classes under the auspices of the Lewis College of Business.

Most of the courses were taught by Data Center employees on a volunteer basis. For example, Assistant Director Freeman instructed a course in Accounting while Director Daly instructed in Data Processing. By the end of the first year of the after-hours program, 65 individuals had completed at least one course. The Lewis College of Business rewarded Dr. Bell for her efforts by presenting her with the Violet T. Lewis Award in August 1984.

Over the years, the Data Center sponsored numerous groups of high school students through various employment programs. Here, a group of high school graduates are honored in a special ceremony for their contributions to the Center in the late 1980s.



In mid-1983, efforts to define requirements for a personnel/payroll system for the Treasury Department began anew with a Task Group visiting the Data Center during this period. The Group's charter was to review several federal personnel and payroll systems to determine which system might meet the overall needs of the Department. Representatives of seven Treasury bureaus participated in the group which rated three personnel systems: the Air Force, the Department of Agriculture, and the IRS; and three payroll systems: Agriculture, the IRS, and Treasury's TPPIS system which operated on Bureau of the Mint computers in San Francisco.

In 1984, the Treasury Department decided to implement the personnel

system developed by the Air Force, known as the Personnel Management Information Telecommunications System, or PERMITS. This would be accompanied by a separate, state-of-the-art payroll system to be called the Federal Standard Civilian Pay System (FEDSCPS). This was to be a totally new, consolidated payroll system designed by Price-Waterhouse. To ensure that the IRS would continue to receive all the management information reports it now received from the Data Center, a supplemental sub-system known as the Payroll Reports and Accounting System or PRAS was also proposed.

It was during these years that the Data Center realized that getting into the mainstream IRS mission of tax processing was the essential step to gaining the recognition deserved by an organization that had been in existence for 20 years. As former Assistant Director Walter Douglas

The Currency and Banking Reports Division manages millions of documents to assist in the enforcement of the Bank Secrecy Act.



put it, "It has been a struggle for the Data Center to become an integral part of the Service. There is danger of being part of an organization where you are an appendage." Bob Lee echoed this feeling by stating, "It's extremely important to get that foot in the tax door regardless of what it is."

As Director Daly entered his tenth year at the Center in 1984, he realized that an escape from the "organizational orphan" atmosphere that permeated the Data Center required finding work more closely related to tax administration. Daly recalled that it was at about this same time that the Treasury Department came under question from Congress on the issue of its enforcement and tracking of money laundering activities and locating hidden assets from criminally-derived income.

The passage of the Bank Secrecy Act of 1970 was an attempt by

Congress to identify and prosecute individuals involved in illegal activities for profit and money laundering. This law required that financial institutions report cash transactions exceeding \$10,000 to the IRS. The IRS implemented procedures to process several new forms to support enforcement of the Bank Secrecy Act. These included the Currency Transaction Report (CTR) (Form 4789), the Casino CTR (Form 8362), and the Foreign Bank Account Report (FBAR). During the first years of enforcement, these forms were sent to the Ogden and Memphis Service Centers for processing. Daly remembered that the CTRs were "piling up because the tax processing side of the house didn't have the resources to devote to the CTRs. I saw this as an opportunity to have the Data Center provide this service and at least inch us into the mainstream of tax processing."





James E. Daly, Jr. served over ten years as Director of the Data Center.

Thus, in 1984 the IRS decided to transfer the CTR processing mission to the Data Center. In this role, the Center was responsible for collecting, perfecting, and inputting information from the CTRs into a data base that would include millions of documents. The data base would provide agents with information on bank accounts, secreted cash, and leads to tracking assets and foreign bank accounts.

Also during this year, Congress supplemented the Bank Secrecy Act by adding requirements that anyone engaged in a trade or business provide the IRS with reports of cash transactions of more than \$10,000. In support of this, the Center began processing a new form, the 8300, to record all business transactions exceeding \$10,000.

The Future Beckons, 1985-1989

In April 1985, Director Daly marked ten years at the helm of the Data Center. In reviewing progress during his tenure, Daly cited the technical evolution from a batch processing computer system with no remote terminals to a predominantly on-line processing operation with over 600 terminals and more expansion in the works. The acquisition of several new computers, including an IBM-compatible National Advanced Systems (NAS) 5 and conversion to the Univac 1194, along with a new IRS-wide telecommunications network known as STARNET, which tied Data Center mainframe computers to terminals throughout the country, accounted for a tenfold increase in computing power over the past decade.

Despite these advances, Daly remained frustrated by the persistent rumors about the Center's future that had plagued the organization throughout his leadership and continued unabated. In a 1985 *Direct Current* column, Daly stated, "When I arrived in 1975 there was a lot of unrest in the workforce. Rumors were rampant that 'they' were planning on moving the work elsewhere and closing the Center. Today, the same uncertainty regarding the future permeates the Center."

Daly took this avenue to stress the importance of the Data Center as part of the IRS and to encourage employees to think ahead towards the changes and challenges brought by technology. He reminded

workers that "the real question is 'can the Data Center meet the challenges of the next decade with imagination and innovation, providing IRS with the most cost effective alternative to the acquisition of required ADP support'."

Thus, as the Data Center moved towards the 21st century, it focused on its position as a major government data processing center and as a support function to the IRS with a role that now went well beyond the original pillars of payroll, Statistics of Income, and TCMP.

The issue of whether the payroll system would stay at the Data Center surfaced over and over again through the years. Increased automation and the shift of some work to service centers had decreased the Statistics of Income workload in the 1980s. It was obvious that the Data Center was in a period of transition and that the events and decisions of the 1990s would have a significant impact on its future.

One of the first actions taken with this new outlook was a study conducted in 1985 to evaluate the feasibility of instituting a "user charge back" system for Data Center projects. Under such a system, customers would reimburse the Center for the projects they requested. The IRS National Office felt that a move to user funding would provide greater incentive for the Data Center and its customers to manage resources more effectively, provide a more stable

method of budgeting for the changing workload, and encourage better communication between the Center and its users. As a result, in 1986 a decision was made to initiate user funding at the Center.

In July 1985, the Data Center celebrated its 20th anniversary with an open house attended by approximately 800 employees, friends, and family members. Employees that had been with the Center since its opening days were honored in a special edition of the *Direct Current*. Shortly after the celebration, Assistant Director Freeman received word that he would be transferred to become Assistant Director of the St. Louis District.

In September 1985, Jack L. Schroeder arrived at the Center to become the new Assistant Director. Schroeder, like other recent Center leadership, was a new graduate of the Executive Selection and Development Program. Prior to entering this program, Schroeder had served as Chief of the Examination Division in the Boston District.

Schroeder recalled visiting the Data Center for a one-day orientation session during his time in the Executive Development Program. "It was that visit that got me really excited about coming up here to be the Assistant Director....Like a lot of other people I really didn't have a feel for what went on at the Center. I knew about payroll processing, but I didn't know about all the other stuff and that's what got me excited," he said.

It didn't take Schroeder long to become immersed in the mainstream of activity at the Center. In early September 1985, the Center faced a visit from Treasury Department officials to discuss the future role of

the Center. It was Schroeder's first week on the job.

This visit was the result of an earlier agreement between the Treasury Department and IRS which stipulated that an integrated personnel/payroll system would be developed to serve the entire Department. The integrated system was to be operated by the IRS, at a site to be determined by the IRS, and to be called the Treasury Administrative Processing Center (TAPC). By mid-year, the Data Center was one of four sites under consideration for the TAPC.

On December 20, 1985, the IRS Commissioner and the Assistant Secretary of the Treasury for Management signed an agreement stipulating that the TAPC would be located at the Data Center. In this role, the Data Center was expected to provide computer support for all Treasury-wide administrative systems, including FEDSCPS, PERMITS, and the Personal Property Inventory System.

A major force behind the decision to consolidate payroll, personnel and other administrative computing requirements in one location was a 1984 General Accounting Office report that counted 75 different payroll systems in the federal government. In response to this report, OMB expressed a desire to reduce the number of systems and cited the FEDSCPS system as having potential to become a standard system.

In anticipation of taking on the TAPC role, the Data Center acquired updated equipment in the mid-1980s. A new 1100/92 Sperry Univac system that doubled the available computing power arrived in January 1986 to replace the 1100/84. The Center had also



IRS Chief of Personnel Phil Brand, Assistant Director Schroeder, Director Daly, and Commissioner Roscoe Egger participate in a ribbon cutting ceremony for the Sperry Univac computer in 1986.

upgraded its NAS system to a series 7000 in 1985, allowing the release of the NAS 5 assets. The NAS 7000 was upgraded in May 1986 with an additional central processor.

By March 1986, the Univac equipment was installed and operational at the Center. The first major program to be transferred to the new system was CTR processing, which had grown far more rapidly than predicted. To support this mission, the Data Center created a new organization, the Currency and Banking Reports Division, in October 1985.

Well over one million CTR forms were being processed annually by this time, so the move to the upgraded computer system in April 1986 enhanced the Center's ability to meet increased workload requirements. Still, the Center found it difficult to keep pace with the number of CTR documents arriving each month. In mid-1986, the Center turned to a private

contractor to perform some of the data transcription so that the Center could keep pace with the workload.

Change continued to permeate life at the Data Center, as Daly received word in February 1986 that he would be the new Director of the Augusta District in Maine. After nearly 11 years at the Center, Daly reflected, "You have to have lived there to understand the Data Center. I went there reluctantly, but it grows on you. After a while, I became very protective of it. I always felt that not only was the Data Center salvageable, but that it could be a gem in the crown of the IRS if it was given a chance."

During this period, the IRS National Office underwent another reorganization which shifted responsibility for the Data Center from the Assistant Commissioner for Support and Services to the Assistant Commissioner for Planning, Finance, and Research. Upon Daly's departure, Schroeder was named



In 1988, Jeanette Fontanive and Wayne Hicks shared honors as the Data Center Employee and Manager of the Year, respectively. Assistant Director David Mader (left) and Director Jack Schroeder presented plaques to the recipients.

Acting Director. In a ceremony on December 3, 1986, Schroeder became the first Assistant Director of the Center to officially move into the Director's position. A new Assistant Director, David Mader, arrived fresh from the IRS Executive Selection and Development Program in March 1987.

Under Schroeder's leadership, the Center unveiled a "Statement of Commitment" during a visit from the IRS Commissioner in 1986. This document stressed themes of productivity, quality, professionalism, and individual development.

To encourage these traits in Data Center employees, Schroeder initiated an "Employee of the Month" recognition program in May 1986. This program recognized one employee from each division every month, culminating in the selection of an "Employee of the Year".

In March 1987, Virginia C. Davis,

a programmer/analyst from the Management Division, became the Center's first Employee of the Year. The following year the program was expanded to include both an Employee and a Manager of the Year. This time the honors went to Jeanette Fontanive as Employee of the Year and Wayne Hicks as Manager of the Year.

As part of an overall move towards emphasizing quality throughout the Service, the Data Center established a Quality Council in September 1986 with Miller Adams selected as the first Quality Coordinator. Bill Buhl, Quality Coordinator for the Center in 1990, recalled, "It all began in 1986 when Jack [Schroeder] got involved in the Service's big move to quality. He decided to get in on the ground floor by forming the Quality Council in 1986. We were at the forefront of the quality movement in the IRS."

By June 1987, all managers and management officials of the Data Center were attending Quality Management Leadership Training. By the end of the year, Commissioner Lawrence Gibbs acknowledged the efforts of the Data Center in the quality arena, stating that he was "overwhelmed and impressed with the impact you...are making on the Data Center with the emphasis on quality."

The emphasis continued into 1988, as all secretaries began to attend a two-day Quality Leadership class. With this initiative, the Data Center was one of the first IRS installations to provide quality training for administrative support personnel. An "Organizational Vision Package" was developed and distributed to all employees in April 1988. This package consisted of statements prepared by each division concerning the themes of commitment to quality, customer service, and employee pride.

Another initiative that began at about the same time was a "Welcome Back Retirees" day at the Center. The first such celebration was held October 16, 1987. Attendance increased each year as former employees returned to reminisce and look at the future of the Center.

Long-time Data Center employee Alma Clark remarked, "I've made a lot of friendships at the Center that are permanent. Even after you leave the agency you still keep in touch to the point that we now have a Retiree's Day. It's really exciting because everyone gets to see their old friends and they're really friends. You don't find that in too many places."

Schroeder also became the second Data Center Director to head the Detroit Federal Executive Board. After an initial appointment as Vice



John C. Stocker became Assistant Director of the Computing Center in late 1988.

Chairperson in 1987, Schroeder became Chairperson on July 15, 1988. During this period, Assistant Director Mader left to become Assistant Director of the Newark District. He was replaced in November 1988 by John C. Stocker, another recent graduate of the Executive Development Program, who had been Chief of the Resources Management Division in the Nashville District.

Additional computing power continued to arrive at the Center through the 1980s. On October 7, 1987, the Data Center celebrated the arrival of an Amdahl 5880 mainframe with a ribbon-cutting ceremony. With the installation of this equipment, the Data Center boasted the greatest amount of computing power of any IRS center, with a processing capability of 80 million instructions per second. The Amdahl mainframe would support CTR processing, Statistics of



Bessie Baker and Kevin Reeves work at the Help Desk, an innovation of the Computing Center in the late 1980s to enhance customer service.

Income requirements, programs for the Research and Finance Divisions, the Employee Plans/Exempt Organizations function, and development of the FEDSCPS project.

Another computer acquisition during this year was a Vion NAS 8083 system to host the Centralized Inventory Distribution System (CIDS) at the Data Center. This system allowed tax forms and publications ordering to be central-

ized in a host computer at the Data Center. The 8083 supported hundreds of terminals designed for high volume order entry operations in three locations throughout the country.

Despite all the progress made by the Data Center to upgrade its computer equipment and programs during the 1980s, questions about the future remained. Although the designation of the Center as the TAPC diminished some fears that major portions of the mission would be removed, new questions about



future efforts to consolidate Treasury personnel/payroll systems arose in 1987 and 1988.

By late 1987, the FEDSCPS project was still in the design stage and more than a year behind schedule. As a result, the Treasury Department terminated the FEDSCPS contract in December 1987. Starting again, the Department established a new study team in January 1988 to develop alternative recommendations for meeting the personnel/payroll needs of the Department.

During its three month effort, this

study group evaluated seven federal systems as well as numerous off-the-shelf commercial systems. After determining that no commercial package could meet the Department's overall needs and that the IRS system was labor intensive and costly, the group recommended that the Department move its payroll/personnel operation to the Department of Agriculture's National Finance Center (NFC) in New Orleans.

The NFC offered a stable, proven system that had been in existence since the early 1960s. It had also been redesigned in 1983 into a modern, modular data base using structured COBOL language. During the review, the group determined that any new contractor effort would have to start from scratch, would take a minimum of four years to develop, and would cost between \$7 and \$15 million. The group also determined that fixing the current systems used by the Treasury Department was not feasible due to obsolete hardware, older generation software, and the labor intensive nature of the work.

As a result, on July 18, 1988, the Assistant Secretary of the Treasury for Management created the Treasury Integrated Management Information System, known as TIMIS. Thus, plans to create a TAPC at the Data Center disappeared. As Schroeder explained, "We never fully materialized as the TAPC because there was a change in direction. From the PERMIT'S side, we've done as much as could have ever been accomplished. On the rest of the payroll it hasn't. By mid-1992 [this decision] will take us out of the payroll business for the most part."

It was during this time that several events converged to con-

vince the IRS National Office that its two major computer centers might require some large scale restructuring to support the growing and changing computing requirements of the tax administration system in the 1990s and beyond. These changes were the first steps in an emerging concept to develop computer facilities with "mirror-image" capabilities. In other words, the computer centers at Detroit and Martinsburg could be equipped with similar systems, thereby possessing many of the same capabilities and thus, the ability to provide back-up capability for one another.

On October 1, 1988, the IRS changed the Data Center's name to the Detroit Computing Center (DCC) and reassigned the Center from the Assistant Commissioner for Planning, Finance, and Research to the Assistant Commissioner for Computer Services in the National Office. At the same time, the National Computer Center in Martinsburg, West Virginia, became the Martinsburg Computing Center (MCC).

Part of the rationale behind these moves stemmed from a 1986 General Accounting Office report that pointed out that the IRS did not have certified contingency plans for its computer centers nor had it conducted periodic assessments of the potential risks faced by the centers. Neither Detroit nor Martinsburg had designated back-up processing sites to take over tax or administrative processing in the event of a natural or man-made emergency situation.

Discussion of the possibility of creating "mirror-image" computer centers at Martinsburg and Detroit emerged by mid-1987 in the National Office. As plans moved forward, Detroit demonstrated its

potential to serve as a disaster recovery site for Martinsburg activities when it successfully tested processing the Individual Master File for a two-day period on the Center's Amdahl 5880 computer system in September 1989. Continuing upgrades to the Center's computer systems brought new and improved capabilities during this period. In November 1989, the Data Center received a new IBM 3090/200E system which became operational in March 1990.

In support of the overall move towards modernizing the tax administration system, the National Office announced plans to create a new position for a Chief Information Officer in October 1989. This new position became a reality on December 18, 1989. With this change, the Assistant Commissioner for Computer Services was redesignated as the Assistant Chief Information Officer for Information Systems Management, and the Computing Center was placed under this new organizational alignment.

As the Computing Center ended the 1980s, it was apparent that its future was connected with the Martinsburg Computing Center more closely than ever before. The changes underway seemed to bring greater opportunities for the Center to become part of the "mainstream" IRS operation.

The Future Arrives, 1990 and Beyond



Tom Diggs (middle) works with members of the Work Scan Study Group to develop plans for the future of the Computing Center.

"The more things change, the more we stand to gain."

This quote from a marketing guide developed by the Computing Center summed up the attitude of the Center as it moved into the 1990s. During its first quarter century, the Center witnessed the evolution of four generations of computer equipment. The years leading to the 21st century promise to bring even more changes in technology and its applications.

As the payroll function leaves in the 1990s, the Computing Center faces a major turning point in its history. Although attempts have been made through the years to transfer the

payroll function, consolidate the payroll, or make other operational changes, payroll has remained one of the pillars of the Computing Center for 25 years.

The void left by the departure of this mission will be replaced by new work. A Work Scan Study Group was formed at the Computing Center on April 8, 1990, to coordinate the search for new work. Still, the mission of the Center may change dramatically as the 1990s progress.

As Henry H. Philcox, Chief Information Officer for the IRS, explained, "We have a whole universe of computing needs to be performed from a centralized location.

We will use our two central processing sites [Detroit and Martinsburg] for that. We will apportion the critical processes so we aren't more vulnerable in one area than the other. Eventually, the data centers we run will not necessarily be defined along the strict lines of administrative processing and tax processing. Martinsburg and Detroit will be the control sites in the overall systems network of the future."

The summer of 1990 brought changes that went beyond reevaluating the mission and functions of the Data Center. On July 13, the Center held a special celebration in honor of its 25th anniversary. Employees listened to speeches from local leadership as well as representatives from the National Office honoring the Center for its contributions to the overall IRS mission.

A change in leadership brought in a new Director as Jack Schroeder moved on to become Director of the

Parkersburg District in West Virginia. Replacing Schroeder was Ronald W. Kirby, moving out of the Director's position at the Parkersburg District.

Kirby reported to the Center as its seventh Director on August 20, 1990 and was sworn into his new position by IRS Senior Deputy Commissioner Michael J. Murphy a month later. Kirby graduated from the Executive Selection and Development Program in 1979.

As the individual who will lead the Computing Center closer to the 21st century, Director Kirby expressed that he sensed that the next few years will be the beginning of an exciting journey. During his swearing in ceremony, Kirby remarked, "The decade of the 1990s will offer the Computing Center a unique opportunity to contribute to the tax system modernization efforts."

The changes facing the Detroit Computing Center and the IRS as a whole will not occur overnight and

Senior Deputy Commissioner Mike Murphy, Assistant Chief Information Officer (Information Systems Management) Walter Hutton, and Chief Information Officer Henry Philcox show off commemorative t-shirts at the Rededication Ceremony.





As part of the anniversary celebration, employees with 25 years of service at the Center gathered for a group photo. Pictured here are (back row, left to right) Bob Lee, John Salazar, Vic Baxter, Walt Reinke, Jim Zoladz, Frank Driscoll and (front row, left to right) Pat Nanasy, Violet Farris, Mary Samuel, Carolyn Farrow, and Brenda Waller.

will not be easy to accomplish. In fact, it is impossible to predict what the future holds for the Detroit Computing Center at this point. Shortly after his arrival at the Center, Kirby was given responsibility to assist with a steering committee headed by the Assistant Commissioner for Planning and Research in the National Office in the search for new work for the Center.

"There is much that the Computing Center can offer," Kirby remarked, "Outside of the National Office there is no place in the IRS that can compare with the computer systems skills that the Computing Center has to offer."

So the Detroit Computing Center heads towards a new century planning for a new mission, with new programs coming on line, and some current programs growing rapidly. The employees of the Center can look back on a legacy of 25 years of hard work, good work, many challenges, many changes, and many accomplishments with a feeling of pride in themselves and their organization.

Appendix, Computing Center Directors



William F. Palmer
1965-1968



Lawrence P. Doss
1968-1970



Ernest Shaw
1970-1973



Leonard Semrick
1973-1975



James E. Daly
1975-1986



Jack L. Schroeder
1986-1990



Ronald W. Kirby
1990-

Index

- Adams, Miller, 60
Albert Kahn Associates, 20
Amdahl 5880, 61
Audit Case Classification System, 18
- Bahnke, Jim, 28
Bank Secrecy Act, 55, 56
Barron, Dean J., 35, 39
Bell, Patricia, 53, 54
Blanchard, James J., 51
Brecht, Warren, 44
Breihan, Donald, 14, 39
Brewer, Edward, 36
Brodhead, William H., 49
Brown, Billy J., 36
Brown, John, 27, 33, 37, 38
Buhl, Bill, 60
Bureau of Engraving and
 Printing, 18
- Capitalized Assets
 Management System, 52
Caplin, Mortimer, 10, 11
Centralized Inventory Distribution
 System, 62
Civic Development Commission, 41
Clark, Alma, 38, 61
Cliff, Rosa, 45
Coast Guard, 18, 38
Cohen, Sheldon, 18, 21
Computerized Payroll Personnel
 and Employee Reporting System,
 24, 33, 42
Counsel/Appeals Tracking System,
 52
Currency Transaction Report,
 55, 56, 59, 61
Customs Service, 18, 38
- Daly, James, E., 43, 44, 46, 49, 50,
 53, 55, 56, 57, 59
Davis, Virginia C., 60
Department of Agriculture, 54, 63
Department of Labor, 47
Detroit Board of Education, 31
Detroit Common Council, 41
Detroit District Office, 14, 26
Detroit Trade Center, 23, 28
Diggs, Tom, 27, 28, 65
DiPaolo, John, 15, 17, 20, 36
Doss, Lawrence P., 26, 27, 31, 36
Douglas, Walter, 16, 26, 34, 36, 55
DuChateau, Connie, 19, 37
- Economic Stabilization Program, 36
Egger, Roscoe, 51, 52, 59
Employee Retirement and Income
 Security Act, 47
Everett-Metzger-Flanders Company, 15
Exempt Organization Master File, 24
- Federal Executive Board, 27, 35, 39, 61
Federal Standard Civilian Pay
 System, 54, 58, 62, 63
Federal Women's Program, 45
Fletcher, George, 25, 36
Fontanive, Jeanette, 60
Ford, William D., 51
Foreign Tax Assistance Program, 28
Freeman, Alvin J., 52, 53, 58
- General Accounting Office, 58, 64
General Services Administration,
 14, 15, 20, 21, 23, 29, 35
Gibbs, Lawrence P., 61
Gilbert, Ferdinand V., 13, 14, 34, 39
Grabo, G. William, 35, 36, 41, 42
Green, Marshall, 27
Gribbs, Roman, 32, 35
Griffin, Robert P., 35
- Henry, Bob, 26
Hicks, Wayne, 60
Highland Park Community High
 School, 52
Honeywell H-200, 17, 18, 23, 38

Honeywell 2050A, 46, 47
Hutton, Walter A., Jr., 52, 66

IBM 360, 32, 33, 34, 38, 42, 45, 47
IBM 370, 45, 47
IBM 650, 10
IBM 3090, 64
IBM 7074, 17, 18, 19, 23, 34, 38, 42, 46
Integrated Management Planning
and Information System, 45

Jackson, Val, 28
Jacobs, William, 50, 52
Johnson, Ron, 27
Jones, Naomi, 27

Kanters, John, 41
Kensinger, Robert J., 49
King, Clarence, Jr., 44, 45
Kirby, Ronald W., 66, 67

Latham, Vivian, 44
Lee, Bob, 16, 43, 55, 67
Levin, Carl, 51
Lewis College of Business, 53

Mader, David, 58, 61
Martinsburg Computing Center, 64, 65
McNamara, Patrick, 11
McPhail, Rose, 52
Murphy, Michael J. 66

NAS 5, 57, 59
NAS 7000, 59
NAS 8083, 62
National Academy of Public
Administration, 50
National Association of Internal
Revenue Employees, 23, 27
National Bureau of Standards, 47
National Computer Center, 17, 24, 64
National Finance Center, 63
National Treasury Employees

Union, 31, 51
New Detroit, Inc., 31, 36

Office of Management and Budget,
47, 50, 51

Palmer, William E., 13, 16, 17, 18,
19, 25, 26
Payroll Reports and Accounting
System, 54
Pennington, George, 48, 50
Pension Building, 13
Personnel Management Information
Telecommunications System,
54, 58, 63
Philcox, Henry H., 65, 66
Price-Waterhouse, 54
Program Audit Library, 43
Public Works Committee, 29, 32
Port Huron, 14

Quality Program, 60, 61

Ravitz, Mel, 41
Regional Training Center, 11, 21
Reinke, Walter, 14, 44, 67
Roman, Ruth, 25
Ruttle, Patrick, 46

Sanders, Wilbur H., 35
Schroeder, Jack L., 58, 59, 60, 61, 63, 66
Secret Service, 18
Semrick, Leonard, 41, 43
Service Center Replacement
System, 49
Shaw, Ernest, 29, 33, 35, 39, 40, 41
Showcase Building, 15, 16, 17, 18,
20, 21, 23, 28, 31, 32, 33
Showcase National Corporation, 15
Smentowski, Robert, 52
Smith, William H. 32
Soble Building, 29, 32, 35, 37, 38
Sperry-Univac Corporation, 47

STARNET, 57
 Statistics of Income, 11, 13, 17, 24,
 34, 39, 40, 57
 Stewart, Carroll, 13, 15
 Stocker, John C., 61
 Systems of Input for Local Validation
 and Error Resolution, 53

 Taxpayer Compliance Measurement
 Program, 11, 17, 18, 25, 51, 55
 Terry, Robert H., 43
 Third Avenue Corporation, 33
 Thrower, Randolph, 29, 31, 32
 Time and Attendance Data Entry
 System, 50
 Treasury Administrative Processing
 Center, 58, 62, 63
 Treasury Integrated Management
 Information System, 63
 Treasury Payroll-Personnel
 Information System, 44, 46, 54

 United States Mint, 18
 Univac 1100/82, 47
 Univac 1100/84, 58
 Univac 1100/92, 58
 Univac 1194, 57

 Westfall, Larry, 42, 48
 Whitfield, Birdie, 38, 42
 Williams, John R., 15
 Wnuk, Joseph, 36
 Work Scan Study Group, 65

 Zoladz, Jim, 16, 67



1 0089216



Department of the Treasury
Internal Revenue Service

Publication 1523 (5-91)
Catalog Number 12376F